

# MANAGING REPUTATION IN CYBERSPACE

*Increasingly this broth threatens brands and corporate reputation and needs professionalism to immunise or doctor the effects of the brew.*

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# MANAGING REPUTATION IN CYBERSPACE

## SYNOPSIS

### THE INTERNET INFLUENCE

The Internet is driving a knowledge explosion. More knowledge has been accumulated by the Internet in the last five years than in the previous 50 years.

### REPUTATION

The nature of reputation. Reputation, derived from experience and third party commendation, needs to be nurtured in order for trust to develop.

### THE INTERNET SOCIETY

There are and have been many forms of society. Religious, capitalist, communist, royalist, democratic and, now there is the Internet society. It has unique characteristics. Is about information, knowledge and communication. Is global, encourages activity and exchange and involvement round the clock.

Anyone can say and do almost anything without restraint. An uncanny knack of circumventing restraint attempted by conventional societies and a staggering ability to accept and use new technologies. Expectations of Internet users run ahead of those who stand between them and the Internet Society. Among members of the Internet Society, traditional companies have to be able to react as quickly. Creating an Internet reputation is hard for most directors of companies.

### HOW PEOPLE USE THE INTERNET

Most of Britain's 10 million Internet Society spend 20 hours a week on the Internet. As in all societies, everyone is different. Activities include education, entertainment, shopping and communication are all applications for use of the Internet. One third of Internet surfing at work is not work related. Interaction and communication, (excluding e-mail ) are already significant aspects of Internet behaviour and are the fastest growing applications.

Subjects people look for are very much about life interest. Only 31% of UK executives feel comfortable using the Internet.

### THE OPINION FORMERS

Netzines using newsgroups and chat, sound (music), shopping and much more. Half the Internet population taking on-line news feeds. Big Internet brands are also opinion forming. Internet users like and seek its interactivity.

### A STAKEHOLDER SOCIETY

Individuals can be signed up to many different stakeholder groups. The component of the Internet that acts as silent lubricant is e-mail. Combined with newsgroups, discussion lists, Bulletin Boards and chat, e-mail provides a means by which any person or group of people can influence events as never before. Every organisation is now porous in that its every activity can be and is exposed to public scrutiny. Once companies had control of what was said and believed about their activities. Now every stakeholder has, can and does provide knowledge and opinion freely. Anyone can create a Web site.

Unacceptable practice attracts comment, criticism and active opposition. At the same time the Internet has become the key to commercial success. It is a place to buy and sell. Organisations now have to fight for a presence in Internet Society.

### ITS FAST

The reputation of a company that is slow in Cyber Society must inevitably slide. Growth from 98 million on line in 1997 there will be 350 million by 2005. Over 4,000 new Web sites appear each day. Consumer on-line spending at UK sites grew from \$15 in 1997 to \$400 million at the end of 1999 and it is predicted to reach \$1940 by 2002. Web advertising started at \$500 million in 1997 and two years later was over £1750 million.

Uptake of technologies. It took 38 years for the telephone to achieve 50 million users and 2.5 years for AOL chat services to achieve the same number. Technophobe reputation managers are now a corporate liability. At stake is reputation among 17 million on-line people queuing to buy Christmas presents on line at the end of the second millennium.

### TECHNOLOGY FOR THE PEOPLE

# MANAGING REPUTATION IN CYBERSPACE

From a position of absolutely no knowledge people now capable of many applications. Eight hundred million pages of the Web are now searchable. In 1997 that figure as 320 million.

Finding information is getting faster and smarter but less comprehensive. Clever 'thinking' technologies are coming forward. Conversations with robots. Some commercial Web sites have become interactive using humanoid robots interacting with prospects and customers. Full functioning broadcast sound and video is with us, virtual reality is near, cell phones with Internet access will be a great millennium Christmas present,

And, with the advent of interactive TV, the range of opportunities grow.

Being late into the Internet means we can't catch up, the technology is moving away from us fast.

## A REPUTATION FOR RESPONDING

Maintaining customer loyalty and building a reputation for service with Internet users is dependant on being able to interact with people. 40% of e-mail questions to company sites are left un-answered. Companies loose customers because they do not respond. Creating and re-creating the value of intellectual properties and brands is an issue. Dynamic Internet reputation management is becoming significant.

## NEWSGROUPS, CHAT AND CYBERCAST

Internet newsgroups, chat and Newscasts are nice places for ordinary people talk about ordinary things. It is a place where anyone can ask if there is a kindred spirit with the same interests and because the Internet is so big, there always is. Over 30% of netzines use the Internet for communication excluding e-mail.

The reputation of products and brands are much maligned in newsgroups. Consumers go to newsgroups to find out about products and service from other customers. Most users learn this at an early stage, come to rely on trusted sites.

Newsgroups can be damaging and malicious comment can spread like wild fire. Interjecting a posting into a newsgroup is akin to interrupting a conversation in a pub. People dislike getting unsolicited e-mails. To be effective, you have to use the right netiquette.

## THE NATURE OF NEWSGROUPS

Most major companies are mentioned in Web pages or on newsgroups every day. Postings of this nature take a number of forms. Newsgroups are noted for the speed with which they can spread information. Fake Web sites, newsgroups and chat rooms frequented by activists.

Newsgroups are an audience with a common interest. Debate migrates from one newsgroup to another. People use the Internet to solve a specific problem.

Whether a company should react and how are important questions. This is a form of consumer polling. The consumer issue is time critical. Newsgroups are virtual communities and each one is different.

Some companies spend a great deal of time and effort 'seeding' newsgroups. A number of companies are transparent about their activities in newsgroups. Stakeholder, need to be aware of the potential difficulties they can meet and the effect they may have. Companies sponsor their own newsgroups.

## CHAT

Rapidly overtaking newsgroup exchanges. Users can exchange information in public in real time and the downside is that there is no opportunity to leave a message one day and see responses to it later. Its faster than e-mail! Chat sites regularly feature in the top 25 most visited sites in the home. The relationship between people in chat rooms is quite close and personal. The range of chat sites is enormous and monitoring them all, all the time is not possible without the appropriate technology. Chat users often multi-task.

## CYBERCASTING

The BBC broadcasts its mid day current affairs programme. There are indications that it will be even more interactive. Telecasts and soundcasting over the Internet brings people on-line to Web pages (and buy products) when prompted by broadcasters.

The active Internet PR person getting coverage in on-line broadcasts.

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For Webcast users tuned to television and radio stations streaming live programming, advertising provides an immediate opportunity to buy product on-line. It also provides an opportunity to interact with the programmers and Webcast provider and to react to news, events and opinion.

## THE INTERNET COMMUNITIES

The Internet Society is made up of many thousands of communities. They take many forms. Most people are active in a variety of groups. There are Web site based communities such as the company Web site. The Internet has inverted the few-to-many architecture of the broadcast age. There is a commercial opportunity to be gained from virtual communities. An Internet community may have a loose, permanent or, frequently, temporary coalition with virtual communities with different agendas. Frequently, members of one group will carry information from group to group. The nature of Internet communities is change with groups forming and fading. The relative anonymity of communities (chat, newsgroup, bulletin board etc) means people tend to say things they would normally not articulate.

## NEIGHBOURHOOD COMMUNITIES

A Local company needs a local virtual presence. Maintaining a link with local communities through local stakeholders is a very helpful means of enhancing virtual presence. If the local retailer can enhance its presence.

There is a growing number of local Internet gateway. The relevance of these local communities and the local gateways is the element of trust.

## COMPANY COMMUNITIES

There are Internet communities in most companies. Some of them operate inside and, additionally, outside the organisation. Companies should take reasonable precautions so in the event of a problem they can say they have tried to prevent misuse of their system. The key for managing these communities is within the corporate culture. Managers have to make clear what behaviours are not acceptable and those that can be damaging to company, colleagues and future prospects. The company must have a reputation (and ethics) policy. There are precedents for ethical use.

Internal staff communities can be good, helpful and healthy.

## COMMUNITY CURRENCY

Internet communities have a sense of monetary value. A portion of the perceived consumer value is based on a time element as well as the cash value.

One of the most dynamic parts of the Internet is the growth of on-line auctions. The perceived value of goods and services fall within the traditional area of marketing. However, the 'second hand' or more properly the 'second transfer' of value often has an element of reputation attached to it.

## THE EFFECT OF VIRTUAL COMMUNITIES ON THE BOTTOM LINE

Most companies also need a view as to how their on-line marketing is affecting the business. Some of the biggest brand names in the world have withstood a barrage of Internet criticism for years. Favourable comment is effective. Coalition between the Internet Society with another and powerful form of society before a significant reaction takes place. Getting a person to return too a site manifests itself in new or added sales. Identifying where in the buying cycle the visitors loses interest, seeks more information or leaves the site. Harm to reputation as manifest in the Internet Society, is quite specific. Equally, the range of company activities under scrutiny, affects the company.

## POLITICAL COMMUNITIES

Have demonstrated a sense of solidarity, "they have nevertheless contributed to the fragmented cultural and political landscape of the United States..." Communications do not offer a utopia, but they do offer a unique channel for publishing and communicating. Do voters simply "feel involved" or actually participate?

The American political parties will not dare ignore the Internet in the Presidential election.

On-line communication can bring about off-line activity is well proven. There are significant political communities evident in Internet Society.

## CYBER MARKETERS

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Most companies have a Web site. Most people don't visit it. It is important that Web sites are well designed, have rich content, are a gateway to information, and are interactive. A three month old Web site is like a year old shop window.

Marketing Web sites on and off-line is imperative. The Internet Community has its own branding concepts for commercial presence. There is no doubt that branding is important and that it is needed to create a symbiosis between consumer and company on the Internet.

## GLOBAL BRANDING

Traditional brand building has depended on visibility. There are not many opportunities for this kind of brand promotion among the many and disparate communities in the Internet Society. Interactive consumers are focused on a specific information goal, with the effect of blocking brand images. Companies have to respond effectively. Brand impressions are built on-line in smaller numbers on the Internet. On-line promotion has to be a combination of many activities aimed at a variety of communities. Ensure that each interaction with a potential customer impresses. A question of building and securing trust. Internet users demand excellent service. Brand equity is important. Good Internet brands have a number of common attributes.

The way a company markets offline does affect its ability to market products on-line. Commonality of branding across the world is now important because of the global nature of the Internet.

## ACCESSIBILITY

Search for a product or service on a 'site perceived as legitimate'. Using a search engines first. Banner advertisement an hyperlinks and mini-sites. On-line entities have to go offline to other media for promotion. Customers like to know what to expect when they go to a site and want to feel part of a community. Consumers are more likely to return to a site if it's identified with a brand they recognise and trust.

Internet users access URL's they see advertised on TV. Reasons for offline promotion are the ability to foster brand awareness among those who are new to the Internet and those who intend to go on-line in the near future.

## CYBERBRAND OUTREACH ACCESSIBILITY

Extend the company's Internet presence both for the company Web sites and, significantly, beyond it. Providing stakeholders such as retailers, dealers, distributors with the means and incentive to add to presence.

## INFORMATION

Across the many genre of Internet presence, there is recognition that netzines appreciate access to information. Many sites in the commercial and not-for-profit areas of interest have a tiered approach to the provision of information. This process is effectively used in a progressive approach to make sites 'sticky' and to effect a behavioural change. Sites with rich content and a lot of information like can keep people on their sites for a long time. Some hyperlinks can and should offer opportunities to build and enhance the company Internet Brand presence. Site navigation is a big problem.

## INTERACTIVITY

The advent of technologies has made Web sites exciting places to visit. These technologies be used to bring added information and content to the visitor. Inclusion of chat and discussion groups requires investment in a moderator. Web site needs ability to take the visitor through to the information needed and for there to be trust in the information provided. Well constructed and interesting sites attract an almost cult following. Websites must provide a contact person for customers. Important to be able to download information and contact specialists in company.

## BRAND PERFORMANCE

Few provisions have been made for real-time on-line customer service and support. The reputation of companies on-line is being tarnished by lack of responsiveness. The Internet society is well aware that these mistakes need not be made. Brand values on the Internet will stay at a low ebb until these simple processes are properly managed. There are exceptions to the general rule of poor delivery. The top sites for the number of different people visiting them have substantial brand equity because they deliver.

## ONLINE PR

On-line public relations is a boom area for the Internet. The reach of on-line news is now huge. Half of all users of the Internet take some form of on-line news every day. Most publications publish an on-line version of the printed edition. In some instances, this is a synopsis, in others it is a straight reproduction but, in a very significant number of cases, the on-line version is very different. The

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news vendors in cyberspace are often the big entry Portals and ISP's. Some of these publications break stories as they happen and do not wait until the print version hits the streets.

Immediate response to stories is now open for all and letters to the editor come in the shape of e-mails by the hard disc full.

The PR virtues of knowing the journalist and building an effective PR relationship is as important as ever.

## SPONSORSHIP MARKETING

The Internet Society is ready made for enthusiasts. Sponsors can target an audience with great precision. Events and activities of the sponsored activity provide every reason for the netizen to return to the site on a regular basis. There would seem to be less resistance to advertising on sponsored sites than for other forms of internet advertising. Ability to build large databases of customer information. Provides constant data about the audience. Sport and cultural sponsorship on-line can be very creative. Internet tools that can be deployed.

## BRAND ATTACKS

Brands commonly associated with pornography without the brand owners' knowledge. Use of metatags. Some companies have used the same device to attract consumers from competitors! Company used competitor comparisons to seduce search engines to bring competitor enquiries to its site. Some companies have used front organisations to attack brands. Software is being distributed which allows users to change the contents of a web site.

## CYBER COUNTERFEIT SALES

"The Internet has become a hotbed for the sale of counterfeit luxury items". Increasing risk of losing significant market share due to brand confusion and devaluation of image.

## INTERNAL COMMUNICATIONS

Every company has employees with access to the Internet. Many employees have personal access to the Internet.

Every aspect of the company is open to comment by anyone. Need for a completely new way of thinking about mission, strategy, internal motivation and communication. Internet adds the dimension that the company will need to protect its stakeholders from the effects of the disaffected.

Need to implement company wide belief in corporate mission, standards and objectives. To have an effective outward presence, managers need to look inside their organisation to secure commitment among their own stakeholders. Internet provides its own solution. Companies can create their own defences and the virtual communities within the company become substantially self regulating.

## CYBERSTALKERS

Information in the public domain but not ordinarily available to citizens who don't know how or where to look. By combining information with a network that distributes the information, it becomes possible to provide a citizen's guide financial inducements of politicians. This is a legitimate activity and especially so for people in public life.

If it was applied to the non-executive chairmen of companies or even the corporate affairs directors of corporations, would it be an infringement of their civil liberties?

This kind of behaviour falls within the realm of cyber stalking. Where to draw the line is an issue. It is not difficult to find out information about people. Information about employees can appear in web sites. The protection of employees, and in particular employees whose reputation is valuable to the company is a matter of reputation management.

## PROTECTION FROM CYBERSTALKERS

Email is a favoured medium for cyber tormentors. Employees do not have to take any direct action to put themselves at risk. There are a lot of helpful tools and support groups. Finding out who is the perpetrator of malicious content is usually not too difficult.

## INVESTOR RELATIONS

World Wide Web has arrived as a viable investment tool. Four out of five investors report that they now access corporate information via the Web. In a period of 24-hour, global trading, and corporations must be complete in any statement they issue. Global brokers, traders, analysts and fraudsters are now active in every form of

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information provision and communication channel on the Internet. A high proportion of investing netzines already have a full service broker, a significant number use on-line brokerage services to read the research reports. The conventional rules apply very lightly. Investor Relations managers now need to be of the Internet Society. Closer attention is needed to the promotion of capitalism, investing, information, and interactivity, on financial pages.

## SHARE SCAMS

There is a host of scams. Not all such sites are so safe to visit. Multi-national response needed. Some companies are formed and have Internet names that look very familiar and can damage reputation.

## GULLIBLE INVESTORS

An invitation to invest comes in many guises. Unsolicited offerings abound. Some reputation influencing Internet citations are not to be believed. In a few hours, the share value of a company can change for no apparent reason. The range of frauds, from selling bogus investments, manipulating stocks, setting up pyramid and Ponzi schemes, operating without a broker's license is quite significant. The Internet is clearly the marketing vehicle of choice for con artists.

## PROTECTING INVESTORS

The UK authorities have very little offer British citizens. One big UK company has been hit quite hard.

## THE INVESTOR SITES

The internet has been a boon to corporate America and has brought millions of people investment opportunities unheard of two or three years ago. All financial institutions and Investor relations experts are in an information race. There will have to be a change to be globally competitive for the Internet Society. Investors seek information about companies and their shares using the Internet. The rules for attracting people to the financial pages. By creating a virtual community with an interest in the company and its shares, share values can be sustained and enhanced. Institutional investors like to see well designed and welcoming financial pages. The return for a company is measurable.

## LOBBYING

Influencing the democratic process and government is an area where the Internet is gaining considerable force. All over the world lobbyists and the lobbied use the Internet. The Internet provides the complete resource. Lobbying groups have smart, informative, interactive sites.

## CREATING CYBER LOBBY SITES

The UK lobbyists will be one of the great beneficiaries in Cyber Society. Creating a well informed brief is easier. Creating a campaign Web site is a matter of hours away. Effective lobbyists can prepare in advance.

## THE LAW FOR THE INTERNET

There is the law and the Internet and there is an emergent Internet law. Multinational corporations attempting to unify national regulations relating to global electronic commerce. Reputation managers need to ensure that where protection is offered off-line it is applied to on-line activities.

## SERVICE PROVIDERS AS POLICEMEN

A major industry-led initiative to reassure the public and business that the Internet can be a safe and secure place to work, learn and play. Consumers should have the technological means to tailor the nature of their, or their family's, experience. Service providers need to implement reasonable, practicable and proportionate measures to hinder the use of the Internet for illegal purposes.

## THE COPYRIGHT ISSUE

Copyright is something that seems to be frequently abused on the Internet. Usually copyright is owned by the creator of the work. the Universal Copyright Convention. Intellectual property covers much more than copyright. Trademarks and Patents are also important as are Registered names (in some countries).

## OTHER INTELLECTUAL PROPERTIES

The World Intellectual Property Organisation is responsible for the promotion of the protection of intellectual property throughout the world. WIPO has convened a meeting with ICANN-Accredited Registrars on Domain Name Dispute-Resolution Procedures. Most managers are dependant on bilateral arrangements and European Directives.



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## PASSING OFF

The Financial Services Authority has now alerted unwary investors.

The Web site graphics, including your company logo to be registered where appropriate and watermarked. IP legal advisors and Webmasters. In some countries it is illegal to use a URL without permission.

## BEING YOUR OWN POLICEMAN

In many ways the Internet is a combination of the Wild West and the Industrial Revolution. Every company has to protect itself because the rules are sketchy and policemen are few. Domain names, trademarks, unfair competition, copyright, making contracts over the Internet, jurisdiction, data protection, advertising, payment systems on the Internet, digital signatures, tax implications of the Internet, and best practice for companies in the use of e-mail, Internet communications and access to Web sites.

## CYBER WAR

Internet reputation management extends beyond the commercial sphere.

Inspired by hate and malice. Internet war is a two way street. The range of attack tools used has grown and needs careful monitoring.

Have to develop the means by which we can counter violations. Many companies are now putting in place crisis management capability. The global Internet security software market. The Internet Society, much has yet to develop for us to have a clear picture.

## ACTIVISM

Impact on management. Ability to react as fast. Criticism in the Internet Society is mostly open honest and without malicious intent.

Winning the court case may not mean winning the battle. Criticism does not always adversely affect ability to trade. Smaller brands in a virtual community may not be so lucky.

## REAL WORLD OF CYBERSWARE

Surge in Web sites dedicated to damaging the reputation of companies is becoming a problem for many companies. Is a corporate cost to rogue sites. If there is wrong doing and it is revealed through the Internet, then it will have a devastating effect.

Extent to which Internet criticism damages the company. Web crawlers presenting sites that are adverse. Business to business buyer may prudently decide not to award a contract to a company with adverse reputation baggage.

Mystery shopping for your site. Communities coalesce and create larger entities but in themselves have a limited effect. Management re-action, has cost implication. Reputation managers needs strong nerves.

*There is a dynamics of struggles between competing groups to establish their perspective as absolute truth. For this reason it is important to look at the actions and motivations of actors who seek to halt the progress of environmental groups.'*

Internet should not be viewed as a "menace", but rather as a "challenge" for corporates. As more companies are exposed in Cyberspace, the more effect its on-line reputation has on corporate drivers.

The first manifestations. When the Internet issue hops channels. The anatomy of issues that have an effect are theme based. The very successful campaigns add several 'themes' together and several 'external publics'. At the lunatic end of the spectrum.

## MANAGEMENT

The rules for managing Internet critics are the same as for any other form of management. Having the right attitude is helpful. Anticipate, master the detail of the Internet and practice. That your company will be criticised through the Internet is not in doubt. Investing time reading about accepted behaviour on the Internet. Recommend managers take note. Start monitoring Web sites and newsgroups and on-line media. Plan responses and practice. Simple routines and protocols. A trusted internet research firm. Managing Internet reputation is mostly about preparation. The demographics suggest explosion of critical comment over the next three years.

# MANAGING REPUTATION IN CYBERSPACE

## INTRODUCTION

### *THE INTERNET INFLUENCE*

We now understand the importance of the many forms of communication that have been expanded into a global form by the Internet:

One-to-one (e-mail is the fastest growing form of one to one communication 7.3 billion US e-mails per day)

One-to-many (Internet newsgroups and personal Web sites include over a billion exchanges per day)

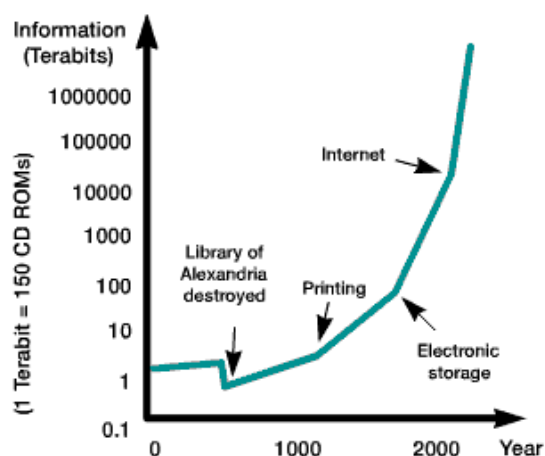
Many-to-many (Internet chat, Usenet exchanges and a wide variety of exchanges on the Internet are now usual for 50 million people every day).

It seems strange to imagine that it was only five years ago that there was any doubt that 'the new media will enfranchise the individual with more one-to-one communication which will be easy by personal 'phones, E-mail and video conferencing. Or that 'person-to-person-to-machine/database communication will be more important, electronically managed and more global.

This paper, taking relevant experience from round the world (and particularly the USA, where experience is much greater), is written from a UK perspective. Here we see the explosion of access evident in northern Europe and the USA two years ago. At the beginning of 1999, NOP research suggested 10 million people had become regular users of the Internet. Current projections are that, as the new millennium opens this number will have grown to 17 million.

Just two years ago the Netcraft survey counted 1 million Web sites, by April 1999 it was 5 million Web sites.

It is driving a knowledge explosion. More knowledge has been accumulated by the Internet in the last five years than in the previous 50 years.



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Source BT.

## **REPUTATION**

In its most perfect form, reputation management sustains relationships with publics in a state of equilibrium during both evolution and in crisis. This enhances corporate goodwill (a tradable asset).

The big change is that many-to-many global communication brings with it loss of 'ownership' of language, culture and knowledge and that there is a breakdown in intellectual property rights, copyright and much plagiarism. This is already a major problem.

News now travels further and faster and is mixed with history, fantasy and technology. Reputation in crisis is even more vulnerable. At a growing rate, the new media uses reputation as 'merchandise', 'stripped from the foundations which created it, then traded for pieces of silver - and at a discount'.

Increasingly this broth threatens brands and corporate reputation and needs professionalism to immunise (our organisations) or doctor the effects of the brew.

Reputation, derived from experience and third party commendation, needs to be nurtured in order for trust to develop. A trusting relationship, which in some instances can be called 'brand equity', is both a tangible asset and a corporate responsibility.

## **THE INTERNET SOCIETY**

There are and have been many forms of society. Religious, capitalist, communist, royalist, democratic and, now there is the Internet society.

This is a tough idea for people who see the Internet as an information resource, a gateway or communication medium.

It has unique characteristics in that it is about information and knowledge and communication but is also global, encourages activity and exchange and involvement round the clock. Anyone can say and do almost anything without restraint. The extent that so many people use the Internet (some addicted and others on an occasion) and behave differently in their Internet 'life' is what makes it so interesting and different. There is two other characteristic. The members of this society have an uncanny knack of circumventing restraint attempted by conventional societies and a staggering ability to accept and use new technologies.

As in any society, there are hierarchies, people who contribute and people who operate outside its accepted laws. The Internet Society hierarchies and laws are not the same leaders, laws or law makers that exist in other societies. Many Internet users have not heard of the Archbishop of Canterbury, the prime minister of France or the head of the Bundesbank. Few could name the incumbents. Their relevance to the Internet Society is at best marginal. Mention AOL, offering access to this society's gods, Yahoo, which makes and applies rules for access or Bill Gates, who has economic clout to affect all, and there will be immediate opinion, if not reaction.

# MANAGING REPUTATION IN CYBERSPACE

Established institutions are quickly marginalised by the Internet Society. But it can make reputations and fortunes for its own. When it works in concert with capitalism or democracy, it is very powerful. These issues are discussed in greater depth in the marketing and activism chapters. One topical case study will suffice for now.

There are many stories about extraordinary things about the Internet. Certainly it is fast moving. It is said that a year in the Internet is equivalent to five years in other forms of commerce.

In July 1999, BT, the British telecommunications company with a telephone line into almost every home in the country, said that it was going to continue to charge people for access to the Internet (in addition to charging for the associated telephone line rental and line time). Ten month old and loss making Freeserve, a subsidiary of electrical retailer Dixons offering Internet access for free was valued at over £2billion when it floated on the UK stock exchange. BT had 115,000 Internet subscribers and Freeserve 1.2 million.

In every other form of commerce, a company has difficulty coming to the market in under five years. This flotation happened in less than a year. In every other form of commerce it is difficult achieving a share premium when you are a loss making corporation. Freeserve created a brand presence and market penetration of millions in a fifth of the time it takes most companies to achieve a 43% share price premium.

Freeserve did use its influence in the Internet Society. It offered users of its services shares in the company on flotation. It informed a large proportion of the 4.63 million share owning Internet Society members aged 25 to 34 in the UK. They all have a computer at home, predominantly accept on-line news. They have a penchant for regular exchanges of views and opinions with local and international members of the Internet Society. Of course Freeserve's Internet Society influence stretched to other UK demographic groups and, this is the Internet after all, to every country in the world.

The difference in thinking is between BT<sup>1</sup>, supplier of access to information and Freeserve giving access to a fashionable, global, free wheeling, fast changing and dynamic society.

Expectations of Internet users run ahead of those who stand between them and the Internet Society. They also help, aid and support those people and companies who help them enjoy their lifestyle.

Being of the Internet Society was dramatically important for Freeserve. Its Internet reputation and its promotion was masterly and offered high cash returns in its parallel capitalist society.

This one small example serves to show the speed at which the Internet operates and that Internet reputation is important. This different form of reputation, seems to defy the laws of other established societies and operates in a different culture. Like religion and capitalism, the Internet can operate as a parallel society. Because the Internet is hugely driven by change, Freeserve has to work five times faster than its traditional commercial competitors to sustain its reputation.

## MANAGING REPUTATION IN CYBERSPACE

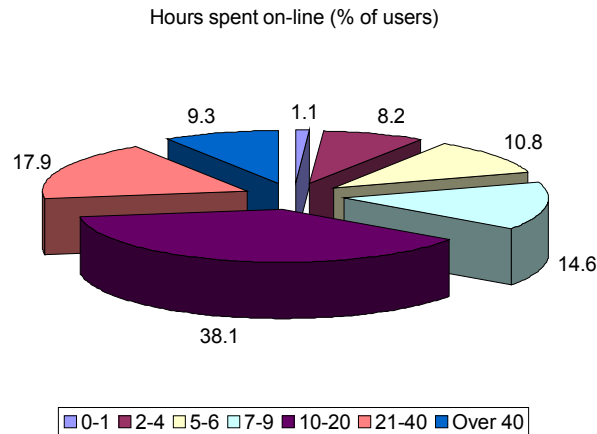
Equally, among members of the Internet Society, traditional companies have to be able to react as quickly. They start at a disadvantage. They are not of the Internet Society. They started life in the slow, old, parallel, commercial market place. The reputation manager of every company now has a duty to point out and facilitate rapid reaction to the demands of the Internet Society. Both on-line and off line reputation depends on it.

Creating an Internet reputation is harder for most directors of companies. Many of them have yet to find the 'on' button. They have no choice. The Internet Society is growing very fast. UK access to the Internet in March 1999 was growing at the rate of 10,600 people a day according to NOP. It also reported four in ten children were already on-line by July 1999.

# MANAGING REPUTATION IN CYBERSPACE

## HOW PEOPLE USE THE INTERNET

Most of Britain's 10 million Internet Society members, commonly called Netizens, spend 20 hours a week on the Internet.

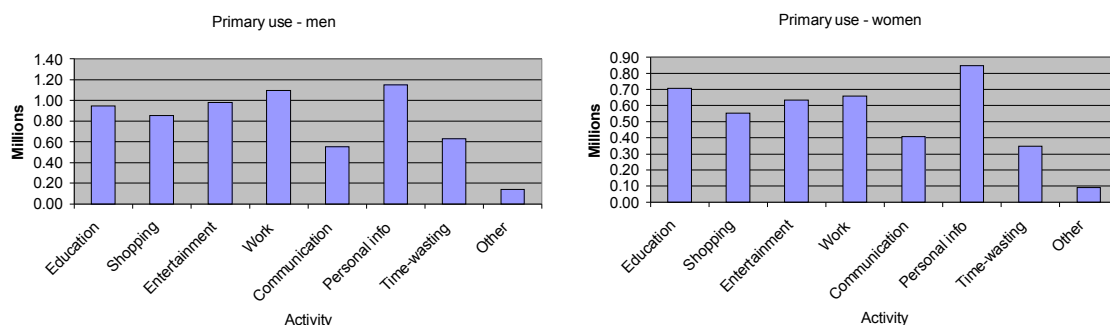


(Source IRS Surveys)

It is not all searching for information. As research by Georgia Tech Research Corporation<sup>2</sup> (GVU Survey) shows.

As in all societies, everyone is different. Some use it mostly as a work tool, more use it for personal information. Education, entertainment, shopping and communication are all applications for use of the Internet.

Applying the Gvu Survey to the UK, the primary use for the Internet is different for different people.



(statistics and graphs by IRS Surveys)

Additional information about how people use the Internet at work comes from the Spyglass Inc<sup>3</sup> using its Surfwatch software. It seems that one third of Internet surfing at work is not work related. Non work related visits to sites include news at 8.8%, investments at 6.7%, sexually explicate 2.9%, travel 2.5%, entertainment 2%. Time will tell, but the pressure to use the Internet more at work and for work will grow as business to business transactions escalate.

The number of page being viewed at work is increasing dramatically. This requires good Internet skills.

# MANAGING REPUTATION IN CYBERSPACE

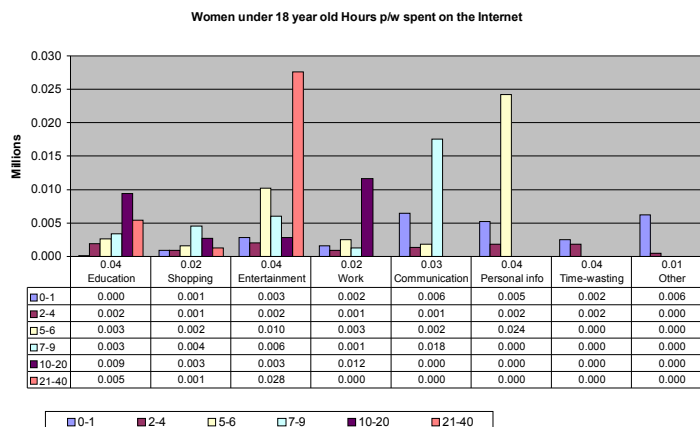
Of Britain's' 10 million Internet users over 1.5 million men and 600,000 women enjoy interaction within newsgroups every day. Half of UK Internet society take daily newsfeeds<sup>4</sup>

In searching for information, the most common method is the use of information on existing Web sites and newsgroups which are already favourites for the Netzine. To find new information, people use Search engines.

Research by Danny Sullivan<sup>5</sup> shows that most people only use one or two words in a search (65%). Sex is the most sought subject (but is now in decline) but his report of searches in 1998 also identified tools to aid Internet interaction (mp3 and chat, ) as being important and, at the time the film Titanic was all the rage and was much searched for.

Interaction and communication, (excluding e-mail ) are already significant aspects of Internet behaviour and are the fastest growing applications.

This is most evident among younger women



(source IRS Surveys)

It comes as no surprise therefor, at the time of writing (August 1999) to find mp3, chat and ICQ continuing for the second year among the top twenty most looked for subjects in [www.searchterms.com](http://www.searchterms.com). This suggests that netzines are looking for tools to make their life in Internet Society even more interactive and they seek a wider range of communication facilities. Most people are conservative in their buying habits compared to Internet users. As part of the learning curve, Internet users become adept at buying and downloading new technologies.

Newsgroup, chat, the exchange of music clips, photos and all manner of gossip and information is now exchanged one to one, one to many and many to many all the time. In the UK in mid 1999, it was the primary use for the Internet for over 2 million people every day. Newsgroups , e-mail discussion lists and Internet chat are very important. They allow anyone to seek anyone with a common interest or view among, currently 190 million people. These groupings can become consumer groups, pressure groups, opinion forming groups and political activists.

# MANAGING REPUTATION IN CYBERSPACE

Internet shopping sites are now emerging at the top of search listings and it is no great surprise to find that Internet auctions such as [www.ebay.com](http://www.ebay.com) are much sought after in this interactive society.

On closer examination we find the subjects people look for are very much about life interest. Different search engines have different search profiles. GoTo listed: games, travel, music, sport, jobs, software, map, chat and casino at the most sought for subjects. It may come as a surprise to find that these are hardly nerdish interests but are about ordinary daily life. And sex searches are proportionately on the decline, perhaps as a result of the changing demographics of the new wave of Internet users (18-35 women, children and older men).

Among demographic groups with the highest access are Corporate executives. According to Anderson Consulting, senior executives have become wired. 99% of Canadian Executives have access to the Web while only 97 have access in the UK. In the UK 71% of executives use the Internet at least once per week (up from 51% in 1998) but only 31% feel comfortable using it. Here is a group that has joined the Internet Society but does not seem to be part of it when compared to the weekly 20 hours of most Netzines.

When looking at Internet behaviour, we should not forget its breadth. Search engines are aimed at different Netzines. [www.disinfo.com](http://www.disinfo.com), for example, offers a 'different spin on news stories and searches. Yahoo may be big but there is a host of alternatives for the 190 million on-line world-wide.

As in all societies, different people expect and do different things. Keeping up with new ideas and trends is hard. The BBC announced that its 'News at One' current affairs programme was to be Webcast in 1999, Web enabled telephony is beginning to take off already. Yes, a year in the Internet Society is a very long time.

## THE OPINION FORMERS

One in five people in the UK belongs to the Internet Society. As people become more experienced, they become more adepts in using Internet applications. From searching for sites to using newsgroups and chat, sound (music), shopping and much more.

Most people have experienced the Internet for three years or so. People between the ages of 21 to 25 tend to have the most experience with a major surge of young people, women, children and older men coming through and a real change in the ratio between men and women. The only people who seem not to join the Internet Society are women over 45.

Most people believe themselves experienced after two to three years and expert after four years<sup>6</sup>.

This means that they are active communicators in the Internet Society. The GUV surveys suggest that with experience comes increased confidence in expressing opinion and interaction. As a result, they are shaping opinion. Already there are 900,000 UK Netzines primarily using the Internet for communications (excluding e-



# MANAGING REPUTATION IN CYBERSPACE

mail). This represents 8% of all users. We can expect both an increase in numbers communicating and an increase in the proportion of netzines using communication.

Who else shapes opinion? With half the Internet population taking on-line news feeds, it seems that on-line publications are disseminating news and the big portals such as Altavista and Yahoo are gateways to added information and have news and features to provide extra on-line content.

Newsfeeds come in many forms. They include e-mailed news 'Alerts', streamed information appearing automatically on the screen (often in a 'ticker' form) as well as news windows and because people actively seek on-line publications. Just about every search engine has a news feature.

Big Internet brands such as the BBC are also opinion forming.

In addition, a number of corporate sites offer news about specific subject areas.

By comparison, commercial users of the Internet are babes in arms. Their ability to provide news is hampered because they do not have enough Web sites and many of these sites are static (a brochure on the Web). Datamonitor<sup>7</sup> reported in mid 1999 that 2.2 million businesses were using the Internet in Europe. By 2004, they say 5.4 million will use the .net or about two thirds of all businesses. In the UK just 34% were using the Internet. (Finland 45%). With 20% of the population already signed up members of the Internet Society, many companies seem to be leaving entry into this market place quite late.

To be an opinion former, there is a need to provide up-to-date information and to present it quickly. In addition, Webmasters need to show how up to date their information is. I for one will not accept information without being able to reference the date it was provided. Last years' information is as old as mid '80's pop football results in Internet terms.

Internet users like and seek its interactivity and yet many commercial sites take an age to download. Zona Research, In the USA suggest that 'merchants will loose \$34 billion in sales each year if Web sites do not maintain an average download time of eight seconds'. For the interactive Internet citizen, there must have been a wry smile when Fletcher Research announced that only 35% of commercial sites changed their content daily and 17% actively encourage interaction and 'feedback'.

As in all societies, some aspire to influence more than others. They are very active and can be very influential with very little by way of resources.

## **A STAKEHOLDER SOCIETY**

If you are not part of the Internet Society, its freedoms and access to people and information is frightening. Its freedoms compared to most normal society is as great as between the old communist states and the West.

## MANAGING REPUTATION IN CYBERSPACE

In repressive societies there is a form of whispered communication to pass on news and information. There is a parallel in Internet Society.

I will expand on the idea that the Internet Society is made up from many communities but this structure means that these communities represent a variety of stakeholders.

Individuals can be signed up to many different stakeholder groups. An employee may be a shareholder and local neighbourhood citizen as well as a consumer.

In each guise, the Internet facilitates stakeholder communication.

The component of the Internet that acts as silent lubricant is e-mail. There are an estimated 7.3 billion commercial e-mail messages per day. Many of them are for personal messages. This represents 40 e-mails for every person on-line per day.

By any standard, this is a tidal wave of information flowing round the world all the time.

Most netzines have and use e-mail access. Many people have more than one e-mail address (a home and a work address and sometimes more). To flash information round the world is simple and inexpensive. It can be sent, in the same time to dozens or even hundreds of recipients.

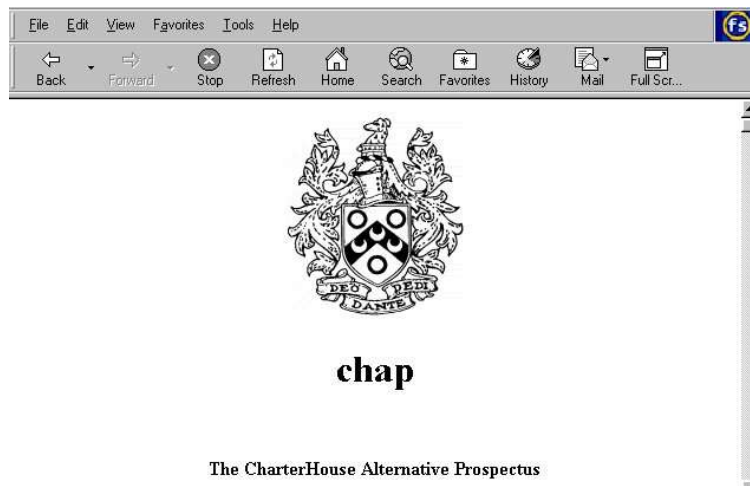
Combined with newsgroups, discussion lists, Bulletin Boards and chat, e-mail provides a the means by which any person or group of people can influence events as never before.

With access to information from millions of sources and the search engines able to find it, every organisation is now porous in that its every activity can be and is exposed to public scrutiny.

Once companies had control of what was said and believed about their activities. The marketing and PR departments and a few directors were the mouthpiece of the company. No longer. Now every stakeholder has, can and does provide knowledge and opinion freely.

In addition anyone can create a Web site, they can have it hosted for free, can add discussion lists and chat to it, include campaigning banners at the click of a mouse and they do.

# MANAGING REPUTATION IN CYBERSPACE



*The alternative site for Charterhouse school represents a group of stakeholders*

Here is where traditional corporate culture and the Internet clash. Once managers were gatekeepers of information. Today they have to be facilitators of information dissemination. There is no defence mechanism behind which an organisation can protect itself from the influence of the Internet. No bulwark and no bunker protects the unprepared or ignorant. Today, one in five employees, suppliers' employees, customers, shareholders, local citizen, politician and priest is available to comment and to act. Soon it will be two in five and then more.

The Internet is so pervasive that it offers organisation a franchise to go about its business unmolested for as long as the Internet Society finds its practices acceptable. Indeed, if its practices are to be applauded, the Internet Society will say so. Unacceptable practice attracts comment, criticism, active opposition, boycott and, without addressing the problem, disaster. Every decision and every action is now debated as though it is transparent and, if it cannot be transparently defended, then it will be attacked. This is true for big companies and small ones. The Internet is a global Hyde Park Corner, 24 hours a day, every day inside the factory and office.

At the same time the Internet has become the key to commercial success. It is a place to buy and sell. Organisations now have to fight for a presence in Internet Society. Like a sales monger in a mediaeval market, every company has to shout loud and strong above the hubbub of a million other individuals and companies all clamouring for the attentions of Netizens. Every company needs a place where its stakeholders can find it. It needs to be distinguishable from millions like it. It needs strong branding and strong brand values. Internet brand equity is a goal to be sought, nurtured and maintained.

## ***ITS FAST***

Fast, interactive, open, responsive global competitive and hungry for information, opinion and channels

Its such fun. Cast your eye round the public relations industry and find young, attractive, intelligent and successful people re-inventing their industry. In seedy

# MANAGING REPUTATION IN CYBERSPACE

offices filled with top of the range computers above even seedier shops, informally dressed entrepreneurs create the latest on the Web. Nerds are out netzines are in.

They look to the Internet for a fast track future and they expect the Internet to be fast too.

The reputation of a company that is slow in Cyber Society must inevitably slide. Every organisation has to use the Internet and an inadequate presence will tell its own tale. Who wants to be associated with company that is doomed?

Everything about the Internet is fast. Newsgroups and chat sites talk about which gigs are on, where to meet and what is fun and frantic tonight. AOL and ICQ report that 430 million Buddy List and Instant Messenger service messages and a further 330 million ICQ messages per day. Four years ago, these facilities did not even exist! It's bigger than all the telephone calls in the world! As for watching television, forget it. Nielson data tells us that on average households with on-line access spend 13% less time watching TV. As for videos...

In every dimension, the Internet, and faster.

With all this fast communication, being part of it seems essential. It shapes opinion and makes reputations.

The number of users is growing fast. NUA<sup>8</sup>, a source of much research, estimate that from 98 million on line in 1997 there will be 350 million by 2005. The dream is to be part of this potential market. To have an Internet brand presence that offers rewards beyond dreams. The reputation manager has to be aware that their presence is there and international enough and in time.

Over 4,000 new Web sites appear each day. Per head of population, more people use the Internet in Finland and Norway than in the US. The UK has the 12<sup>th</sup> highest penetration of the population. Ten per cent population penetration was achieved by 11 countries last year and will have reached 14 countries when you read this. Waiting to develop an Internet strategy against this rise and rise in coverage means that catching up becomes ever more difficult. The reputation of a company falling behind will suffer.

It took 38 years for the telephone to achieve 50 million users and 2.5 years for AOL chat services to achieve the same number. So where is the 24 hour manned sales chat site? A capability no more difficult to set up than a tele-sales operation (and using the same computers too!).

Consumer on-line spending at UK sites grew from \$15 in 1997 to \$400 million at the end of 1999 and it is predicted to reach \$1940 by 2002 (Datamonitor). Standing behind a shop counter is out, being a hit counter is in.

Web advertising started at \$500 million in 1997 and two years later was over £1750 million. Who wants to be in newspaper advertising when you can be big on the Internet. The speed and frenetic activity of the net forms and shapes attitudes.

# MANAGING REPUTATION IN CYBERSPACE

Successful Internet companies grow at a pace that is beyond belief compared to traditional organisation and become very big like Freeserve and Amazon. So no one makes money on the Internet. Wrong. From lingerie to wine, there is case study after case study of profitable e-commerce. In fact many companies now derive most of their revenue from on-line transactions. Hewlett Packard was one of the first to say it did! Their reputation soared.

The uptake of technology by Internet users is bewilderingly fast.

However dynamic an organisation may have been in 1998, it is fuddy-duddy to netzines waiting for year 2000 Web sites to download.

One sure way to adversely affect reputation is to be seen to be slow compared to other users of the Web site.

Technophobe reputation managers are now a corporate liability. The PR industry should be leading the charge, bullying the clients and pushing managers to get really confident and relevant to the Internet.

At stake is reputation among 17 million on-line people queuing to buy Christmas presents on line at the end of the second millennium.

## ***TECHNOLOGY FOR THE PEOPLE***

From a position of absolutely no knowledge two years ago, the numbers of people now capable of building a Web site, taking, mixing and re-broadcasting music on-line not to mention applying artificial intelligent robots to search for information runs to many millions.

Over a thousands of people created Freeserve discussion groups in the first three months of its existence.

According to a study by NEC Research Institute in Princeton, New Jersey<sup>9</sup>. The extent of the Internet which is indexed by search engines is diminishing rapidly. They found that only one sixth of the Web is covered. Northernlights had the largest proportion of the Web indexed. However this was found to be only 16 percent of the Web. Last year Hotbot were the largest search engine and they had 34 percent of the Net covered.

The study found that on average it takes a new site 6 months to be indexed on a search engine and suggests that the cost of maintaining ever larger databases was the reason why search engines had relatively low amounts of content indexed.

According to Steve Lawrence and C. Lee Giles, authors of the study, 800 million pages of the Web are now searchable. In 1997 that figure as 320 million.

# MANAGING REPUTATION IN CYBERSPACE

Finding information is getting faster and smarter. The fastest way of finding strange things on the Internet is to use a 'bot'. Netzines don't care that this is an artificial intelligent robot. They deliver the goods. These robots power a number of search engines and are quite intelligent. They are a boon and make information available fast. These intelligent engines are needed. The old form of indexing sites is finding Internet Growth hard to manage.

Bots can also be used to provide information, misinformation and even damn your name. Members of the Internet Society can handle this. They are not scared by technology and they know it is capable of good and bad.

Fast information retrieval and the ability to communicate is at the heart of the Internet. The reputation of engines incapable of mastering the Internet sinks in days. They now use multiple technologies and will quickly be on top of the problem of dead.

In many companies and for a growing number of Internet research organisations the amount of information available is so big the need clever 'thinking' technologies are coming forward.

Some are quite simple and are used all the time. For example natural language searching (as opposed to application of sense interpretations – more later) is used by many search engines and filters out common language such as 'and, if or etc'. This is automatic on most search engines (Hot Bot advanced search gives you a glimpse at how it works)

Boolean is simple and in wide use (AND, NOT etc). Using it to search for specifics in newsgroups and listservs is very productive.

'Agents' are the way we all 'open up' all the web pages on a web site and why the process needs so much bandwidth.

Fuzzy logic has been around for a long time. This is a form of approximation algorithm. It is dynamic. For a number of Internet applications it is used at the front end of the search process to capture near likeness expressions before it is refined by the next phase (see below). I like it.

The key technology is Neural Nets. A product I am trying to get the PR industry to use to identify outcomes from PR activities (as well as other forms of communication) on corporate drivers such as sales price, volume, margins etc). An example is Cognos' 4Thought.

Neural Nets identify to what extent a number of factors influence each other. They were invented to test the outcome of nuclear explosions without really exploding one.

Then there are applications for Bayesian logic which asks if the logical answer does not make sense, to what extent does it not make sense and is thereby true/untrue.

It is these latter two processes that are used most effectively in advanced knowledge management software. In this way the computer 'learns' from the behaviour of the

## MANAGING REPUTATION IN CYBERSPACE

operator and readjusts the words that are to be used next time a search is made. It is an iterative process and ideal for big volumes of research.

The continual refinement of the search takes the engine off down ever-narrower searched and is great if you don't want people to spend hours on trivia but not much good if you are looking for the incidence of a subject across the whole Internet.

These Bayesian processes are an excellent product for managing large amounts of information such as searching the Internet for everything to do with a subject i.e. 'the applications of motor car engines'. It will quickly refine the search down to 'in a Ford Escort MKIII' if that is the direction of the researcher. It will narrow knowledge acquired from terabits of information to manageable proportions.

These technologies have other applications. Software like 'Electra' provide semi-intelligent interactive responses. You can hold conversations with this robot masquerading behind a graphic of a pretty girl, ask question and make statements in plain language and get a plain language response. (try talking to Electra <http://robitron.dynip.com:2001>). These bots are clever with language too. 54% of Internet users speak English<sup>10</sup> (92 million) but by 2005 57% of Internet traffic will be in other languages. Bots can speak in many languages and some offer translation as well.

Some commercial Web sites have become very interactive with humanoid bots answering question from prospects and customers. Responsiveness to enquirers through using a person accessing a database is now common place. The new programmes are even more helpful in collating data. (including intelligent data mining). The artificial but humanoid bots are becoming essential for good Web presence and an effective Internet reputation because that can put a 'human' face to the acquisition of much information and, in addition can interpret what the netzine is asking for. Now robots are shaping opinion too with all that may entail for the reputation manager.

Full functioning broadcast sound and video is with us, virtual reality is near, cell phones with Internet access will be a great millennium Christmas present, Voice-mail (a spoken message sent like e-mail) is available, Dynamic Web pages, with moving pictures and pages browsing netzines can make themselves and fully Web enabled applications (even writing press releases without a word processing package on your computer) is now becoming usual. I use a fully Web enabled package every day for monitoring and knowledge management.

And, with the advent of interactive TV, the range of opportunities grow.

Cable and Wireless announced in August 1999 that it is to launch a new TV based Internet service for its customers in the UK and is very much of the new genre. The new service will allow users to access Internet, email and on-line shopping facilities via remote control while simultaneously interacting with television broadcasts. The new cable-based service offers access to 15 major UK Web sites including Tesco's, Barclays, British Airways and Teletext. Plans are to provide access to 100 of the Net's top sites by the end of the month. The company already have a subscriber

# MANAGING REPUTATION IN CYBERSPACE

base of 10,000 from a pilot Digital TV campaign in Manchester. As we shall see this is an on-line marketers dream.

The amount of technology now deployed on the Internet is mind bending in its volume and capability. Being late into the Internet means we all have to catch up, but the technology is moving away from us fast.

## ***A REPUTATION FOR RESPONDING***

Maintaining customer loyalty and building a reputation for service with Internet users is dependant on being able to interact with people. Once having attracted a customer (or enquirer), many companies just fail to follow up. The Internet.com (an on-line publication) report of a study by Rubic Inc reported that 40% of e-mail questions to company sites were left un-answered. Companies loose customers because they do not respond<sup>11</sup>

A further study by Neteffect shows that inability to respond actively makes consumers abandon purchases. Its like two thirds out of hundreds of people being half way round a supermarket with a trolley full of shopping, then abandoning their purchases in mid aisle.

Imagine if this were to happen in a real supermarket. Not only would it be commercially silly, it would have a direct impact on the reputation of the company.

Which supermarket CEO would be allowed to survive such a scandal? How soon before investors ask why customers abandon on-line shopping trolleys and never bother to go to the check-out.

Reputation managers must ask the question about an ability to follow up.

Which reminds me, e-mails to Government Ministers get 'lost in the post'.

I can't quite imagine John Prescott saying 'let them eat cakes' but the government does not seem to be in-touch with Internet reality. Its sites are slow, boring and difficult to navigate and never answer e-mails. What do they want? Letters!

Creating and re-creating the value of intellectual properties and brands in a shape and form that is acceptable to the Internet Society must now be a major issue for all company managers. Abandonment of a site where the visitor has committed to be interactive (even collect products to buy), is seriously damaging to reputation.

It leaves visitors frustrated and they act out of character and criticise the company (or government in my case).

Dynamic Internet reputation management in these fast moving media, is rapidly becoming significant. Up to now, companies have been busy getting their Web sites up. Now they have to be able to respond to the interest they create. In addition, as people use interactive Internet, the response to advertising and to consumer enquiries has to improve, be swift, and customer focused. If not consumers will go away and



# MANAGING REPUTATION IN CYBERSPACE

will be less inclined to come back in the future. In some cases they will become consumer activists in newsgroups and chat sites.

## **NEWSGROUPS, CHAT AND CYBERCAST**

Internet newsgroups, chat and Newscasts are nice places. They are form of opinion forming communication in cyberspace. This is where ordinary people talk about ordinary things. It is a place where anyone can ask if there is a kindred spirit with the same interests and because the Internet is so big, there always is.

Jim, an American who lives in Minnesota, watches the UK TV Soap East Enders. Last May, he was baffled by Huw's accent. His on-line friends John and Jacqui told him it was Welsh, and in the conversation the two of them discovered they lived near each other, one in Didcot and the other in Oxford.

An every day tale of the Internet.

The conversation occurred in a newsgroup (rec.arts.tv.uk.eastenders). It was one of many millions of such conversations each day.

According to research by the Georgia State University, one of the primary uses of the Internet is for communicating with others. Over 30% of netzines use the Internet for communication excluding e-mail. Importantly, the higher proportion using the Internet this way are among the under 25's. This includes uses such as newsgroups and Internet chat.

With 10 million active Internet users in the UK, something like 3 million people use it primarily for communication and many more use it for communication as a tertiary application. Imagine what this represents among the millions already on line in the world!

Significantly for corporate reputation managers, not all Internet communication is as cosy as the John and Jacqui story. Indeed, a high proportion of use is to find information about products and services and to use the experience of other consumers.

It is here too, where reputations are made and marred.

The reputation of products and brands are much maligned in newsgroups.

Consumers go to newsgroups to find out about products and service from other customers. They soon find out which companies and which products to avoid.

This reputation building process through Internet communication channels is significant and growing all the time.

The Internet is now a big bucks public relations issue. In every corner of the Internet there is disinformation. Some innocent, some amusing, some malicious.

# MANAGING REPUTATION IN CYBERSPACE

Most users learn this at an early stage, come to rely on trusted sites and on-line friends and take the rest with a pinch of salt. But this is a presumption. Not all users are grown up, some are patently old enough to know better and still get caught out.

But it can get serious and very damaging and malicious comment can spread like wild fire.

In March 1997, a well known US fashion designer, Tommy Hilfiger was accused of making racist remarks during an appearance on "The Oprah Winfrey Show." Tommy Hilfiger denies ever making such remarks. This is not hard to do. Both he and spokespeople for Ms. Winfrey maintain he has neither appeared nor been asked to appear on "The Oprah Winfrey Show." This did not prevent a mass of comment in dozens of newsgroups pointing at Tommy Hilfiger and branding him as racist.

Even the most exhaustive public relations campaigns cannot easily refute rogue information allowed to spread too long. In spite of well-publicised responses the newsgroup talk on-line still disparages Tommy Hilfiger's supposed remarks to this day.

The key for everyone is to be able to find disparaging comments fast and put the record straight.

The role of Internet Reputation Managers in managing commentary in newsgroups is significant and is a new area of public relations.

But it's not that easy. Interjecting a posting into a newsgroup is akin to interrupting a conversation in a pub. Quite often it can be taken as an intrusion, rude and offensive. In fact, there is evidence that such intrusions can have the opposite affect that a company may want to achieve.

A number of companies have thought that it was effective marketing practice to post unsolicited comments and advertisements and puffs into newsgroups. All the evidence suggests this is resented by users. Furthermore a whopping 84% of people dislike getting unsolicited e-mails. Its called spamming. A survey by the Gartner Group<sup>12</sup> found that e-mail users are not only annoyed by unsolicited commercial e-mail or spam, but many blame their ISP for the problem.

The survey, commissioned by Brightlight <sup>13</sup> a maker of anti-spam products, found that more than 90 percent of users receive spam at least once a week, and almost 50 percent get spammed six or more times per week.

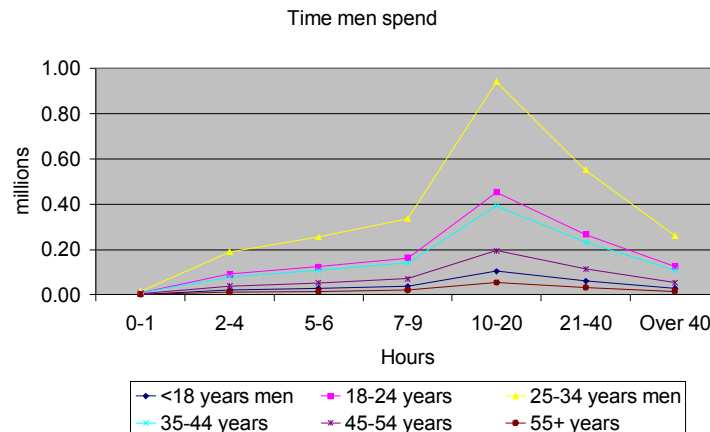
To be effective, you have to use the right netiquette. For those starting out there is a lot of information to help and I have provided a list of some of the more helpful sources<sup>14</sup> .

## **THE NATURE OF NEWSGROUPS**

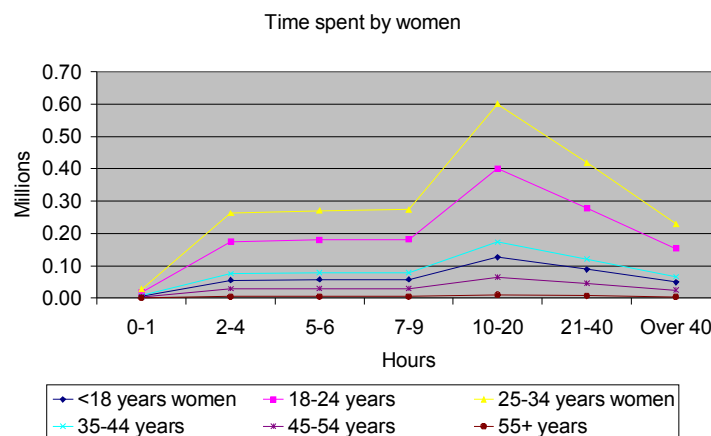
Most people do not have any idea as to the coverage, items or, citations, that appear on the Internet.

# MANAGING REPUTATION IN CYBERSPACE

Most major companies are mentioned in Web pages or on newsgroups every day. In many cases this is in discussion groups, bulletin boards and chat . Some of this exchange is in private sites, a lot is in public and a large proportion is unmoderated and they are almost impossible to monitor manually. With the current growth of chat and the mass use of newsgroups, understanding communication in Internet Society is as important to the reputation manager as reading newspapers is the traditional PR person.

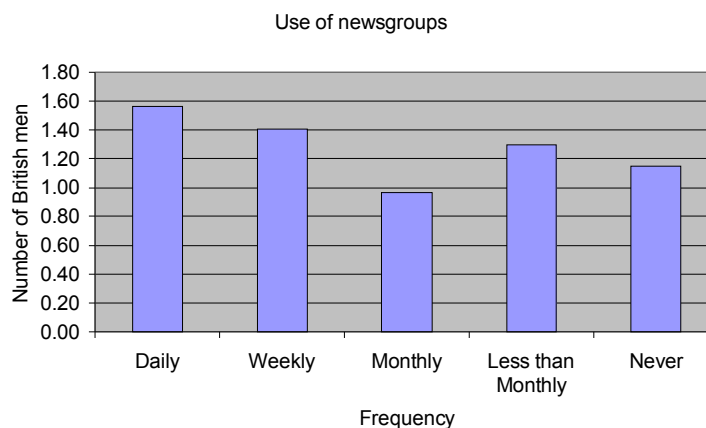
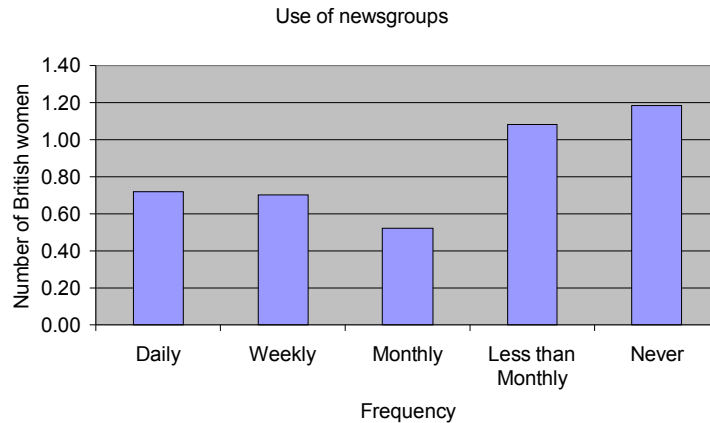


In the UK, 70% of Internet users spend between 7 and 40 hours using the Internet each week (IRS Surveys).



At the beginning of 1999, 1.5 million men and 700,000 women used newsgroups every day.

# MANAGING REPUTATION IN CYBERSPACE



Postings of this nature take a number of forms. The majority are a simple exchange of gossip and interest. Some are amusing and fun. A proportion are 'honest criticism'. Others are malicious and are designed to spread damaging rumours.

Newsgroups are noted for the speed with which they can spread information and can sometimes be very dangerous with significant reputation implications.

Bill Comcowich, CEO of Ultitech, the company which provides the CyberAlert<sup>15</sup> Internet monitoring and knowledge management service explains the nature of the Internet very effectively:

'The Internet,' he says 'changes the genteel rules of journalism. Everyone is a publisher but no editing is required, there is no need for professional training. It has become a new voice and new media for rabble-rousers, outraged customers and corporate critics.'

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‘Anyone can smear anyone else. This sophisticated form of communication adds a global and instantaneous dimension to the traditional pamphleteer or Speaker on Hyde Park Corner. The Internet communicator reaches 190 million people with Internet access and their message is always available, day and night, to everyone. They create a ‘buzz’ on the Internet’.

Even the headers can be misleading or can malign a company. The potential for besmirching corporate reputation is considerable. This can lead to loss of sales and even share values. They tend to increase consumer complaints and distract executives who have to deal with them.

Fake Web sites, newsgroups and chat rooms frequented by activists, the unhappy consumer, disgruntled former employees and the equivalent of the pub bore, give rise to damaging rumours which cannot be contained within the company and are expressed in a wider forum. It has to be said that the expression 'potential' needs to be underscored.

A decade ago, the populations of the West already learned more from watching television, listening to radio and interrogating electronic databases than talking to friends, families and colleagues. Now a significant proportion of communication time is via the Internet which is why it has become important to the reputation manager.

On 8<sup>th</sup> August 1998, a London School of Economics student asked, via a news group, if it was sensible to use the NatWest PC based banking service<sup>16</sup>. This case study shows an example which is replicated for most major companies and brands every day.

This user group is called UK local London. It is worth reading the posting in full. It is an interesting case study (and no one should be judgmental about the subject companies in the case study - who was, in 1998, any better at Internet reputation management? Who is better today?)

<b>Author:</b> Stuart Pearce	<a href="#">author profile</a>
<b>Email:</b> <a href="mailto:stuart.pearce@pearce3.demon.co.uk">stuart.pearce@pearce3.demon.co.uk</a>	<a href="#">email reply</a>
<b>Date:</b> 1998/08/23	<a href="#">view thread</a>
<b>Forums:</b> <a href="#">uk.local.london</a>	<a href="#">post new</a> · <a href="#">post reply</a>
<a href="#">view for bookmarking</a> · <a href="#">text only</a>	<a href="#">subscribe</a>

>I was somewhat surprised to find out that the **NATWEST** does not provide  
>PC-Homebanking for individual accounts, only for companies. It is  
>otherwise a standard and completely free service in any bank here in  
>Denmark.  
>  
>I will appreciate any response. Thanks in advance.  
>  
>Leo

If you want free PC banking, try FirstDirect. They're a telephone banking service, and a subsidiary of Midland Bank. I've never had any problems with them at all, and their service is free even if you go overdrawn. (Within limits, of course.)

As for **NatWest**, I wouldn't bank with them if they were the last bank in the universe.

Stuart

The original posting from Leo was in the critical period when students make decisions about banking services. His audience was a significant one. This was an innocent question, one of tens of thousands on the Internet every day.

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This was an opportunity for the banks, to respond and build a brand relationship with Leo. Here the bank might supply ready access to an answer which explained the range of services and their benefits which are available for a Danish Student coming to the London School of Economics to take a degree course.

Like most companies, the banks in question did not know of this posting or those that went before it. Often known as 'gripe sites' following newsgroups is an interesting form of reputation management and, in the right circumstances an opportunity to both protect reputation and enhance virtual presence.

The response from Stuart is even more illuminating. He explains that he uses another service, a telephone banking service. He also identified a number of the benefits of their service. Was this an opportunity to gain competitive advantage?

First Direct, Europe's first and largest virtual bank which adds 12,500 new customers to its current base of 750,000 customers every month, may have believed that the virtual audience of one newsgroup was not the best return on investment compared to its other promotional activities. At the time (1998) the embryo Internet did not offer much of a return and most financial institutions were not really geared up to take advantage of Internet postings<sup>17</sup>.

Here was a potential customer, Leo. He was going to make a decision about banking that would stay with him for life. His decision was worth a lifetime of bank charges and interest revenues to the banks. The banks did not know about a potential customer and so did nothing and, indeed had no strategy in place. Today (1999) they have and, in addition are offering Internet enabled banking. Much of industry has not caught on quite so fast.

If one follows this thread there are other postings and, as time went on, even more potential customers appeared.

A lot of people commented about the product in the same news group. They have in common their news group and an interest in the product. In addition some of them have an interest in buying this kind of product or are current or recent users.

Among the respondents are satisfied customers of a similar product but a different brand.

# MANAGING REPUTATION IN CYBERSPACE

<u>Newsgroup</u>	<u>Newsgroup</u>
uk.media.tv.misc	comp.sys.mac.advocacy
uk.misc	uk.gay-lesbian-bi
uk.misc	news.admin.net-abuse.
uk.consultants	uk.rec.cars.tvr
uk.net	uk.misc
demon.service	uk.local.london
uk.sport.cricket	comp.sys.psion.progra
uk.local.london	alt.business
uk.local.london	uk.consultants
uk.people.teens	uk.finance
alt.music.manics	uk.legal
alt.visa.us.marri	soc.culture.europe
rec.sport.cricket	uk.misc
uk.local.london	uk.misc
uk.consultants	alt.ph.uk
alt.technology.sm	alt.ph.uk
comp.sys.amstrad.	uk.local.london
uk.local.london	uk.local.london
lmu.informatik.pn	uk.local.london
uk.consultants	rec.sport.cricket
alt.politics.ec	uk.local.london
alt.politics.ec	uk.local.london
rec.sport.cricket	uk.local.london
uk.consultants	uk.local.london
soc.culture.eurog	uk.local.london

There are people interested in the debate - they are visible and are making comments day by day.

In addition there is an audience with a common interest (that is why they visit the newsgroup) but we do not know who they are because they are not pro-active contributors to the debate. They may be opinion formers, consumers or just interested observers.

More complications are added when the debate migrates from one newsgroup to another.

While the first group was London-centric, a number of their subscribers had other interests and subscribe to other interest groups. They also brought the story and the

arguments with them.

The story spread to a wider audience and found a resonance with the interests of these new publics. This is not novel, this is how the Internet works. Your company, product and brand is visible all day, world-wide and is being talked about all the time.

This case study identifies a number of important aspects about Internet communication.

- It can be seen that this is a public forum.
- People who use it are consumers.
- The process is swift
- One of its applications is an aid to purchasing decisions.
- The numbers using the news groups are considerable (and there are more who read the content but are not necessarily moved to contribute their views).
- The users are educated and articulate
- They have, and express opinions
- They have a gypsy-like quality and will take a topic from one news group to another.
- These opinions can be very damaging to corporations
- They can also be helpful to corporations

People use the Internet to solve a specific problem. Often this is to help with a specific purchasing decision. For the PR department, there is a major opportunity for

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newsgroup and e-mail marketing. At the same time there is an interesting opportunity in protecting, developing and enhancing reputation and brand values. By this, I do not mean, necessarily, becoming involved in another person's conversation. That too may be the route to disaster.

This is at the cusp of the purchasing decision. Positive responses are very powerful, negative comment is unhelpful.

Ignorance of the Internet and the numbers of people using it, is no longer excusable as usage increases and we need to learn how to develop techniques to aid reputation building in this environment.

This LSE student started a substantial response. Taking this case study as an example, there would appear to be a number of time critical and consumer significant actions that need to be addressed. . In this case, it is possible to trace 31 postings in two different news groups involving 18 different people all within 14 days of the first innocent question. The subject migrated to over 30 newsgroups in the following two weeks.

In another study by IRS, during June 1999, in only three discussion groups (support.asthma, uk.local.surrey and games.minitures) there were 3500 comments on quality pertaining to UK supermarkets. The subject of quality associated with named supermarkets appeared in 36 UK newsgroups. By extrapolation, it might be said that there were 30,000 public comments available for the whole world to see about the quality of UK supermarkets.

In addition there was an audience who did not actively comment in numbers maybe vying with the Sun newspaper in total audience size. By any measure this represents a sizeable number of people prepared to make a comment and elect to spend time reading such comments. A sample of the postings showed 63% of commentators recommended a particular retailer and 37% who were critical. Notably, some retailers came out well ahead of the others with little criticism and much praise.

Whether a company should react and how are important questions. It takes a brave manager to say to the Board that there are lessons to be learned from these events. There is no excuse for not being brave. This is a form of consumer polling, unprompted and largely spontaneous, reputation analysis by the public of a company, its products or services. Monitoring this level of consumer empathy provides a close insight into the competitive advantage of the company and its brand equity in the Internet Society. The reputation manager can now develop the tools by which reputation can be dynamically measured and a corporate response (primarily off line) can be formulated.

The consumer issue is time critical and in the time the subject is visible, buying decisions have been influenced and the contract has been made. We have seen evidence of the speed that the Internet operates in other case studies. Thus the next lesson we learn is that corporations have to be very much more responsive and faster to respond than in the past.



## MANAGING REPUTATION IN CYBERSPACE

The question of how an organisation can and should respond is one that exercises many minds. The issue is one of psychology as much as anything. And it is not easy to apply. Newsgroups are virtual communities in their own right and each one is different (see Internet Communities below). A response for one group may be totally inappropriate for another.

Some companies spend a great deal of time and effort 'seeding' newsgroups with information about products they have for sale. One major retailer used to talk about new products in a variety of newsgroups using (not so heavily) disguised people making comments about the products. 'Have you tried the new perfume at XXX store' was one comment 'it's worth trying'. Within a few days there was a blizzard of responses, many saying that it was terrible!

'Seeding' takes on other forms where companies overtly or surreptitiously invite newsgroup members to visit their store or Web site (using a hyperlink). The score rate for this kind of activity is quite high but the cost of attracting a few dozen visitors in this way must be seen to be a high cost marketing process unless part of a campaign to attract people to a particularly 'sticky' site or influential, company run, usergroup/chat site.

'Seeding' newsgroups is not the same as spamming where a company overtly sends messages to all manner of newsgroups (as well as to individuals). In a high number of cases there is a marked resistance to such activities and it upsets Internet communities a lot. Selecting the community or news group that will accept this form of promotion is one requiring newsgroup experience and skill.

A number of companies are transparent about their activities in newsgroups. They say that they note comments about themselves and respond directly. The 'Big Brother' aspect of this form of response worries users, who like to believe their newsgroup is for like minded people and not there for eavesdropping by outsiders with, at best, a casual interest in their virtual community.

There is another aspect of how this form of response is manifest. Quite often and quite innocently, employees and other stakeholder, already active or just on the prowl come across critical postings and take up the cudgels in defence of their employer. Almost always it ends in a wrangle of no help to the individual or the company. Stakeholder, need to be aware of the potential difficulties they can meet and the effect they may have.

Perhaps the best examples of how organisations respond is seen when companies sponsor their own newsgroups (some inside their Web site, others in specific freely available Listserve and Usergroups) and others in newsgroups where there is plenty of evidence of competitors debating relative merits of products and processes. In many ways this serves the Netzine culture well. They enjoy the exchange with an Internet savvy employee and go to the site to find out more. In addition, in other newsgroups they act as ambassadors, inviting other members to join the debate. This is a cost effective approach with consumers having a specific interest congregating in one place and one that does not (usually) upset Internet communities. The computer companies and Microsoft use this approach to good effect.

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Messages 1-25 of exactly 37 matches for search **SIMCO**:

Date	Scr	Subject	Newsgroup	Author
1. 98/09/23 023		Re: 8051 code space 0000 to	comp.arch.embedded	Jack Peacock
2. 98/09/23 022		Re: rz28-e (vms 7.1) will no	comp.os.vms	Jack Peacock
3. 98/09/23 022		Re: Compression in 8051	comp.arch.embedded	Jack Peacock
4. 98/09/24 022		Re: Barchetta	no.bill	Torkel Lodberg
5. 98/09/24 021		Re: 8051 code space 0000 to	comp.arch.embedded	Jack Peacock
6. 98/09/23 021		Re: Morrow Micro Decision st	comp.os.cpm	Jack Peacock
7. 98/09/23 021		Re: LAVC And Common SysUaf.D	comp.os.vms	Jack Peacock
8. 98/09/21 021		Re: 8051 ports	comp.arch.embedded	Jack Peacock
9. 98/09/13 021		Re: Test Equipment Calibrati	alt.industrial.comput	Harry H Conover
10. 98/09/10 021		Test Equipment Calibration S	alt.industrial.comput	sacotmrc
11. 98/09/23 020		Re: IBM varying len rec and	comp.os.vms	Jack Peacock
12. 98/09/19 020		Re: >> Enkel Bil Trimming <<	no.bill	f <defaultuser@
13. 98/09/17 020		Re: WTD: 8272 or NEC 765 Man	comp.arch.embedded	Jack Peacock
14. 98/09/12 020		Re: Who knows THP80C40AP ?	comp.arch.embedded	Jack Peacock
15. 98/09/11 020		VMS upgrade FAQ	comp.os.vms	Jack Peacock
16. 98/09/10 020		Re: Test Equipment Calibrati	alt.industrial.comput	Jeff
17. 98/09/10 020		Re: Test Equipment Calibrati	alt.industrial.comput	Ken
18. 98/09/02 020		Re: BUENA VISTA SADDLE-(NEED	rec.equestrian	Evelyn Crouch
19. 98/09/01 020		BUENA VISTA SADDLE-(NEED INF	rec.equestrian	LSolek
20. 98/09/11 019		Re: 96 serial ports R 230400	comp.arch.embedded	Jack Peacock
21. 98/09/09 019		Re: Help identify mystery ta	comp.sys.dec	Jack Peacock
22. 98/09/09 019		Re: How can I consolidate mu	comp.sys.dec	Jack Peacock
23. 98/09/07 019		Re: Bsync or SLIP	comp.os.vms	Jack Peacock
24. 98/09/04 019		Re: Bsync or SLIP	comp.os.vms	Jack Peacock
25. 98/09/04 019		Re: US FMR.jobs+work visa	comp.arch.embedded	Jack Peacock

Such companies have a product manager who spends his day answering technical questions raised by technicians all over the world. While this is effective, and the numbers of visitors can be very high (see the SIMCO example above) the person involved needs to be very competent. In addition they need to be trained to react as reputation managers as well as technicians.

The numbers of technical questions that can be answered by product managers are very broad and are most helpful for customers. This work is appreciated by the customer and if well done, with a dedicated and committed product manager, builds strong consumer relationships. This approach can work just as well for consumer activities and there are some excellent examples.

However, when this person sees a posting critical of the company, there needs to be a quick response to ensure that the reputation of the company remains intact. Most often, such responses are off-line and need to be managed inside the company.

Knowing what is said outside a company user group allows the company contributor to respond and use the visitors to his site to go out and answer the points raised.

The role and authority will ensure that:

- Commercial opportunities are not missed.
- Critical comment is managed
- That there are technically competent people available to answer consumer issues in public forums
- Corporate and marketing initiatives are not clumsy and do not threaten the brand
- The response to Internet users is swift

We do not know how many people see these postings for each of the many thousand newsgroups, but there are a number of sources including IRS and NUA Internet Surveys<sup>18</sup> that give a clear view of the numbers using Internet communication and, in the UK, this runs to millions every day already!

## CHAT

Rapidly overtaking newsgroup exchanges, chat is now a very popular form of Internet communication. The benefit is that users can exchange information in public in real

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time and the downside is that there is no opportunity to leave a message one day and see responses to it later. Its faster than e-mail! In addition private chat networks are available for householders and companies to carry on private real time conversations through typing information on a keyboard.

According to Internet Research Group<sup>19</sup>, chat sites regularly feature in the top 25 most visited sites in the home and with 128 million English speakers<sup>20</sup> using the Internet (54% of all users world-wide<sup>21</sup>) this is a very global activity.

Where newsgroups have an influence that is very fast and can influence events in a matter of hours, chat can have an immediate effect and subjects are discussed at the speed of light.

The relationship between people in chat rooms is quite close and personal with comments made in public to other people 'present' at the time. In addition and concurrently, private conversations are held. A reputation can be shredded in an instant and some of the information changes the fortunes of companies quite quickly.

In an investors chat room, stock market tips fly fast. Some people establish considerable reputations and are followed by a host of Stock chat groupies, while business groups seek commercial opportunities all at the same time.

For the financial affairs manager this is a real challenge and many monitor sites (and contribute). But the range of chat sites is enormous and monitoring them all, all the time is not possible without the appropriate technology.

The significance for reputation management for these technologies is the ability for the consumer and the opinion former to multi-task.

The ephemeral chat is by no means untainted. Field Fisher Waterhouse' Internet law expert Michael Chissick, cites examples of clients asking him to take action against a particular chat area. He claims that this is rarely worth attempting because the perpetrators are infrequently wealthy enough to make the process worth undertaking!

The most common recourse is a letter to the offending site's service provider or the content provider involved to ask them to remove the offending material. This, he says, they are happy to do because they do not want the problem to escalate. But he warns that the determined 'offenders' will almost always win.

"The problem," he says, "is that you can stop them once but then they will move to other chat areas and, if need be, post information to Web sites in the US or Holland." This comment is several months old. Since then the number of chat sites has grown from a few to thousands and continues its explosive growth.

## **CYBERCASTING**

The BBC broadcasts its mid day current affairs programme 'The Word At One' 24 hours a day from its Web site.

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The Internet becomes progressively more of a multi-media experience with video, audio, interactive data-bases and 'bots', those linguistically clever Internet robots (see above), as part of the mix. There are indications that it will be even more interactive with people making and acting on purchasing decisions at the same time.

Web enabled telephony is already popular and a lot of people listen to music served up via the Internet while they do other things, including working on computer.

Telecasts and soundcasting over the Internet brings other advantages in that people go on-line to Web pages (and buy products) when prompted by broadcasters.

The active Internet PR person is already working as getting coverage in on-line broadcasts and this will become more relevant. The only drawback being the numbers of broadcasters and lack of significant information about audience demographics, and life interests.

According to a study by Arbitron NewMedia/Northstar of US Webcast audiences, "Webcasts trigger significant interaction—almost 70 percent of on-line tuners click for content information and almost 60 percent click through for advertiser information, while tuned to streaming media programming."

In the USA, almost half of the Webcast audience buy advertised products on-line.

"With our latest streaming media study, we have shown that people are responding to the ads and conducting e-commerce while listening to audio and video programs on-line," said Greg Verdino, vice president/general manager.

This is an interesting departure. For much of the Internet, advertising tends to get in the way of users needs. In fact banner advertising, though effective has not been the boon many believed it would be. For Webcast users tuned to television and radio stations streaming live programming, advertising provides an immediate opportunity to buy product on-line.

It also provides an opportunity to interact with the programmers and Webcast provider and to react to news, events and opinion using a host of communications channels on the instant. Reputation can be changed through reaction to these broadcasts in minutes.

The new media is not innocent and some Internet Society members are not all they suppose to be. There is a case for examining how reputation in cyberspace can be enhanced and protected.

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## THE INTERNET COMMUNITIES

The Internet Society is made up of many thousands of communities. Because there are so many, and most only comprise a few people at any one time (most have only a few regulars). Being able to influence them is very time consuming and costly.

In addition they take many forms. There are the obvious types such as the newsgroups and chat sites. In addition there are the usergroups and bulleting boards. Furthermore there are the people whose primary interest is in a single site and interaction takes the form of e-mail exchanges with the site owner (nice if they are consumers).

Most people are active in a variety of groups and many will be involved with more than one discussion, chat or Web site.

There are Web site based communities such as the company Web site, a small part of the Internet.

Members of Internet communities have a commonality of interest which is the glue that holds them together.

In his contribution to the BBC's on-line Communities day in June 1999, Internet guru, Howard Rhingold<sup>22</sup> said: 'Structurally, the Internet has inverted the few-to-many architecture of the broadcast age, in which a small number of people were able to influence and shape the perceptions and beliefs of entire nations. In the many-to-many environment of the Net, every desktop is a printing press, a broadcasting station, and place of assembly. Mass-media will continue to exist, and so will journalism, but these institutions will no longer monopolise attention and access to the attention of others.'

For some, notably John Hagel and Arthur Armstrong, the two McKinsey consultants who published a book in 1997 called "Net.Gain" there is a commercial opportunity to be gained from these so called virtual communities. They postulated that there were hundreds of millions of dollars are to be made in aggregating virtual communities. That is in creating corporate virtual communities. In a sense they are right in that 'sticky' sites (that is Web sites that bring netzines back to the corporate site time and again) create Internet communities. The investment needed to create 'stickiness' is massive and for some, often in commercial terms fleetingly, is real. A not-for-profit example (albeit with massive broadcast promotion) is the BBC. The reason the Armstrong Hagel hypothesis is flawed is the range of communities that exist and will continue to exist in the Internet Society.

Thus the neighbourhoods near the factory and office, employees, vendors, customers, shareholders, governments, politicians and so forth are communities in the traditional and, potentially, the Internet Community sense.

But in Cyberspace there are other communities. These are people with common interests that may have an effect on the corporation. Interests may be in a profession, hobby, life interest or religion. In addition the relationship a company may have

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through affiliation such as a trade organisation, pressure group or market place may be influenced by the Internet Society and in turn the organisation.

The relationship can be even more tenuous in that an Internet community may have a loose, permanent or, frequently, temporary coalition with virtual communities with different agendas.

Frequently, members of one group will carry information from group to group and will also empower members to form a third, mutually interesting groups where the interest, or agenda, is common.

In society at large and throughout time this dynamic was possible before the Internet but today it is more potent, powerful and bigger. Interest of individuals, hitherto of a very personal nature can now be shared with others in communities of scattered enthusiasts round the world.

The nature of Internet communities is change with groups forming and fading like boiling clouds on a summers day.

Internet community relations management is now a bigger and more pervasive form of community relationship affairs than before. It affects the company more than ever before and communities are better informed and able to communicate more effectively. The extent to which the Internet aids democracy and infringes on the value of copyright are important matters for consideration and the effective Internet Reputation Manager will at least visit the significant discussions on the matter. They are important for all companies<sup>23</sup>.

Virtual communities, born from common interests and aspirations of their members can be very closely associated with a corporate site.

However, if, as part of the Internet presence, a company incorporates a discussion group or chat rooms there is a cost in planning effort, attention and time. The extent to which there is affinity with netzines, the rules to use, means for moderating (such as what topics can be touched on, what behaviour is acceptable and so forth), need careful planning and the means to continually bring new people and new interest to the community.

The relative anonymity of communities (chat, newsgroup, bulletin board etc) means people tend to say things they would normally not articulate.

Rheingold expresses it well: 'As the Net has grown, the original norms of netiquette and collaborative, co-operative, maintenance of an information commons that enriches everyone have been assaulted by waves of clueless newbies and sociopaths, spammers and charlatans and loudmouths. Maintaining civility in the midst of the very conflicts we must solve together as citizens, isn't easy.'

Thus, the means by which a company may want to enhance its reputation by including discussion and discourse on its site can backfire dramatically. A guide to how to host a community on line is published by Rheingard<sup>24</sup>

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So what do these virtual communities look like?

## **NEIGHBOURHOOD COMMUNITIES**

In north Oxfordshire lies the ancient market town of Banbury. We know it for the rhyme 'Ride a Cock Horse to Banbury Cross'. It is a strong and wealthy community set in the rural south midlands.

Like all communities, its companies, community institutions, the local council, clubs and societies are all represented on the Internet. Individual citizens have their own Web sites, the local paper, the Banbury Guardian is seen in Cyberspace too. The 20 or so commercial sites are more than matched with personal and community sites among the 30,000 households and 12,000 netzines. The town, once famous for its cattle market, now has a virtual auction in the newspaper's site. Its folk chat to each other and talk about visits to the local Morrisons Supermarket and the wider world in newsgroups as diverse as competition communities to ferret racing (yes this is a rural community).

Friends of the Earth identify a local factory as being on its list of companies with emissions of Carbon Monoxide and other gasses.

Local issues are debated hotly and activists attempt to bring netzines from all over the world to their aid seeking expertise to support their arguments and provide helpful information ( the big topic was railways when I last took a virtual visit). Virtual Banbury buzzes. Just like all neighbourhoods.

It follows that a local company needs a local presence and effective community affairs would create a transparent view of company and community for Internet visitors. This entails hyperlinks between the company sites and the local neighbourhood sites to ensure there is a noticeable link with its physical environs.

Influencing the local community without taking into consideration the virtual community would seem to be risk ridden.

For companies that participate in local events, employ local people or which have issues of interest, a Web presence would be a helpful aid. Community relations managers will have ready made Web (micro) sites that can be put up at short notice to handle local, industrial or commercial issues as part of their commitment to the local and virtual communities.

There is a caveat to this form of involvement. It is easy for companies to become very excited by what is expressed in Internet discussion. In particular, companies are sensitive to criticism. The key elements to note are that these criticisms are a manifestation of opinion, often only minority opinion. That it should be in public may be of less consequence than a conversation in the local pub but with the potential of a global audience (should that audience be interested in the first place). The second is that such discussions are an indicator of opinion, need to be taken into account, but not necessarily a matter leading to a corporate driver.

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There is another good reason for sustaining a local presence. Maintaining a link with local communities through local stakeholders is a very helpful means of enhancing virtual presence. If the local retailer can enhance its presence through services provided by your company, there is the dual advantage of closer links with the means of distribution and its consumer base.

This year (1999), the BBC announced that it will develop a local community 'gateways' and was exploring how this can be done as this book went to press. It is a gallant idea. It will by no means replace existing or future local contributions, discussion lists or local involvement in local issues or sites.

It will be important and will compete with local newspapers and other local gateways for people who want to talk to each other using the Internet. The relevance of these local communities and the local gateways is the element of trust. As people become more used to using the Internet, they seek evermore trustworthy partners for Internet interaction. In so far as the BBC or the local newspaper are trustworthy in the eyes of the user, they have a prior claim.

But there are communities even closer to home.

## **COMPANY COMMUNITIES**

Inside your own company or organisation there lurk communities with common interests. Some wholesome, some less so.

There is more than one Internet and Intranet based chess club using Internet facilities inside companies. In fact the numbers of interest groups, little virtual communities, inside companies is substantial. Some are difficult to see.

Some of them operate inside and, additionally, outside the organisation.

The extent to which they exist and the way they are dealt with by companies emerges into the light of day from time to time and frequently not for the best of reasons.

Three staff at a bank were sacked after being caught by the service provider Mercury Communications circulating pornography. The circulation was internal, to other banks and City trading houses (source Computer weekly 1997). Two ICL employees were sacked for using office facilities for viewing pornography (Internet Business news 1997).

Phil Virgo from the Institute for the Management of Information systems said in Computer Weekly in 1997 "IT managers, as well as local general managers with service providers, face jail if their networks are used to put illegal material over the net. ..."

"It was important," he is reported saying, "for IT managers to take reasonable precautions so in the event of a problem they could say they had tried to prevent misuse of their system..."



## MANAGING REPUTATION IN CYBERSPACE

Of course this is an unreasonable request. As companies and the global culture of the world becomes Internet based, the mass of information on increasingly bigger systems and ever more optimised bandwidth makes the content of a network invisible to the network manager. In the USA there are five billion commercial e-mails per day.

The key for managing these communities is within the corporate culture. Managers have to make clear what behaviours are not acceptable and those that can be damaging to company, colleagues and future prospects as part of their e-strategy.

Mark Trudinger, writing in the may 1999 edition of *Corporate Continuity*, suggests that an employee who visits illegal or offensive sites may be committing a criminal offence. And if a colleague sees the site and is offended the organisation could be held liable for not taking steps to prevent such material being on display. This of course may be true if there is intent behind the actions. However, the open and unregulated nature of the Internet makes such incidents possible for good business reasons.

Beyond the small issue of pornography, it is worth looking at the subject in broader terms.

Many companies have information which is competitively sensitive. For a variety of reasons this can be 'offensive' to work colleagues. For example the material may be information about a competitors' secret processes. Or it may be an internal company secret on an external site. The permutations are much wider than most would guess. The extent to which such information is legitimately offensive to the corporate entity, can be open to interpretation.

The response of companies and countries (France and Germany are both trying) is to lock out information and knowledge. It will fail because the information is out there and available one way or another. The issues for companies and countries is in the broader ethical arguments and practices.

This does not absolve the company.

Falling in the realm of corporate affairs, the company must have a reputation (and ethics) policy and the means to identify and manage its infringement. Porosity, now a feature of corporate life, will dictate the need to implement such actions.

The one thing a company cannot do is lock out the Internet. At best it can lock out a few hundred sites. Of many millions, this is not much good. ISP's and Crawlers, also try to lock out some sites for (primarily) commercial, moral or ethical reasons. However, the interests of an ISP may, and often will be, at odds with the corporate philosophy.

There are precedents for ethical use and by using the approaches already developed in other spheres of interest, the means by which corporations can develop their own response is at hand. An example used in education is published by Jay P. Sivin and Ellen R. Bialo in the USA<sup>25</sup>. Some of the ethical issues raised include: A student uses a search engine and the World Wide Web to cut-and-paste together a pastiche of other people's words to create a research paper she submits under her own name. Is this research, plagiarism or straight cheating?. A schoolteacher starts a computer bulletin

# MANAGING REPUTATION IN CYBERSPACE

board system and a student posts a credit card number, thinking of his actions as a prank. The legal system regards the school as a publisher and holds it liable. Issues of ethical actions are important to reputation when we are involved in on-line communications and this stretches beyond the realm of internal virtual communities.

Internal staff communities can be good, helpful and healthy. The creative manager, will develop strategies to encourage such use and to discourage the worse side of human nature.

Communities can be great fun and a boon to the virtual presence of the company.

## **COMMUNITY CURRENCY**

The debates about financial transactions using credit cards and 'virtual money' such as Beanz, largely centre round security and the ability to exchange goods and information for 'micro' payments. I will not enter this arena as, to my mind the number of very capable and secure methods available are best and ably dealt with elsewhere. Today, a local bank manager will, reluctantly, identify a specialist in every bank. Certainly there is a special market for Beanz type micro purchasing. With knowledge being disseminated in such volume, a micro-penny on every transaction is worth billions. One can only advise keeping taps on any misplaced money or supposed mishandling. The rumour mill on the Internet is ever ready to complain.

Internet communities have a sense of monetary value and express it in a variety of ways. It is noticeable that in almost every case, a portion of the perceived consumer value is based on a time element as well as the cash value.

One of the most dynamic parts of the Internet is the growth of on-line auctions. Bidding (in time) is a fun and a big adventure for many even though there are some scams about. The big (now reputable) on-line auctions are now valuable properties. There are a lot of users and they are very successful. They have spawned a new generation of on-line auction goers, dealers and commentators. They have also provided a new form of currency. Buying and selling things with a nominal value measured in all manner of currencies are available with an intrinsic international market value of their own. Implementing the Euro took five years, the Internet created several forms of value exchange in about a year.

As a personal view, this makes me tend to believe that the Euro is but an interim currency at best.

The reputation of auctions and their participants is important to the on-line auction houses but is also relevant to companies in the traditional world of manufacture, trade and exchange. Some companies now make their pricing and delivery policy transparent (Rockwell Automation is an example).

The consumer, in this case, can elect to buy at differential prices based on manufactured and logistic availability. Rather than promise delivery in a few days, delivery time and the price for faster delivery are transparent to the consumer. Pay more and you get the last remaining item in stock or pay less and wait for the next

# MANAGING REPUTATION IN CYBERSPACE

batch to be manufactured but wait for its delivery. Thus there is a new currency which has been developed by the Internet based on trade (auctions) and transparency (factory to consumer time/cost). The unforgiving netzines acting in their communities are providing a new dynamic. Failure to recognise the Internet Society capability to make such choices has a profound effect through a loss of trust and reputation. The results may prove to be very important as e-business becomes more competitive.

This may be a hard one for internet reputation management. The perceived value of goods and services fall within the traditional area of marketing. However, the 'second hand' or more properly the 'second transfer' of value often has an element of reputation attached to it. For example, a second hand Trabant suffers from a lack of attached brand equity compared to a Rolls Royce. If this brand equity value is tarnished to any great extent on the Internet, the damage is obvious. The perpetrator may be a third party such as a retailer. In the past this may not have been too bad and easily managed. In the Internet Society, the ability for reputation to be tarnished and reputation (brand equity) devalued is at greater risk.

## ***THE EFFECT OF VIRTUAL COMMUNITIES ON THE BOTTOM LINE***

The concept of 'publics' is very important to management of Internet reputation.

Virtual communities, these communities that exist within the Internet Society, abound. Shareholder relationship management that does not take into account the discussions in a variety of on-line media is at a disadvantage. Political lobbying without some view of the issues in cyberspace is at a disadvantage. Issues management without research into the opinions being expressed in the Internet Society miss fast moving comment. Community relations without a view of communities, is not able to gauge the local views. The list is extensive.

Most companies also need a view as to how their on-line marketing is affecting the business.

One way of finding out about the relationships between companies and relevant issues and virtual communities is through one of the many Internet monitoring services<sup>26</sup>. These services will present any new comment on a daily basis which makes monitoring simple and alerts the company to virtual communities as they discuss relevant topics.

The key to the influence of on-line communities is whether they will affect your business. Will comments in a newsgroup add to your ROI or the reverse?.

So far the jury is out. However, in reputation management terms, the evidence suggests that there is every case for planning on Internet communities having an effect on both marketing and corporate reputation and this in turn affects the company's ability to trade effectively.

The use of Internet communication shakes people out of watching, say, television into becoming involved. There is now significant evidence that the Internet is slicing into television viewing time<sup>27</sup>.

# MANAGING REPUTATION IN CYBERSPACE

While many seem to be panicked by bad mouthing in virtual communities, I take a more cautious view. It is unpleasant to be the subject of criticism especially when it is unfounded. Certainly respond to comment with factual information when a comment is plainly erroneous and could be very damaging. However, some of the biggest brand names in the world have withstood a barrage of Internet criticism for years. Nestle, Nike, McDonalds, Proctor and Gamble and many more could not have survived the Internet vilification had it been in newspapers. Gerald Ratner was reported in Newspapers for less and faced ruin.

The extent to which an ever growing proportion of the population becomes dependant on the Internet and seeks information, and the subsequent reaction to criticism turning to commercially harmful reaction is conjecture. That there is an effect is now beyond doubt. I am reasonably confident that share of Internet presence is significant because I see Amazon and Yahoo and e-bay growing ever more dominant and, in their Internet way, profitable.

I am tempted to believe that favourable comment is effective as between, for example, supermarkets. But I am of a mind that there has to be some coalition between the Internet Society and some manifestation of a coalition with another and powerful form of society before a significant reaction takes place. For example, the coalition between newspapers and the Internet has brought the one time darling of scientist and politician alike to its knees in the shape of agricultural genetic engineering. In this respect, the nature of Internet reputation management, if only in its defensive role, remains important.

As an aid to enhancing reputation and there is significant evidence that Internet reputation management to enhance virtual presence is effective. I give you Freeserve, Xoom, the BBC and many more.

Keeping existing customers is less costly than acquiring not, in marketing folk law, rocket science. There is considerable evidence that getting a person to return to a site manifests itself in new or added sales. This is called 'stickiness' and enhances the value of the Internet investment. Thus site design and content is important. In addition, the ability to measure the reaction of a visitor to a Web page, dwell time and pages for access and egress from your Web site can be monitored allowing incremental improvements to be made. In this way, 'stickiness' can be progressively improved.

In a similar way, it is possible to find out if, when and where visitors abandon buying from your site. This can be developed into a fine art by identifying where in the buying cycle the visitors loses interest, seeks more information or leaves the site. The statistics from a Web site are significantly more informative than for other forms of marketing, advertising and selling.

Mastering these techniques will ensure your company's on-line reputation is enhanced.

Harm to reputation as manifest in the Internet Society, is quite specific. Where a particular community (or group of communities) promotes or denigrates a specific organisation the advantage or damage tends to be confined within these groups. The extent to which this has an effect on the trading capability of the company will depend on the influence of the group/s (and to some extent its reach).

# MANAGING REPUTATION IN CYBERSPACE

Equally, the range of company activities under scrutiny, affects the company. All too often we see the single minded marketers only promoting products in cyberspace. But this is not the nature of Internet Society. This society wants information and passes it on. If you like information about companies is 'traded' in the information hungry society. A wide range of available subject matter and interesting ways of re-presenting this information, adds its reach and potential to influence different Internet communities.

Thus information relevant to a financial audience and appearing in financial newsgroups and chat, can be made to migrate to consumer communities, when there is a commonality of interest and which adds to the story. A comparative analysis between Freeserve and Barclays Bank showed that there was a 60% penetration into different newsgroups for Freeserve compared to only 32% for Barclays in the period of one month. In addition the range of topics was even more marked with ten times more subjects for the ISP.

The opportunities for brand presence for Freeserve are, thereby greater and its ability to enhance ROI significantly greater.

## **POLITICAL COMMUNITIES**

Will world-wide Usenet discussions, up-to-the-minute legislative news listserve and WWW pages, chat, e-mail chain-letter petitions add to consumer activity and civic life, or remove people from it?

"Computer-Mediated Communication and the American Collectivity: The Dimensions of Community Within Cyberspace," by Jan Fernback and Brad Thompson, a paper presented to the 1995 meeting of the International Communication Association presents one view.

Fernback and Thompson cite past outbreaks of technological utopianism to question the claim that on-line communications can strengthen civil society: "Citizenship via cyberspace has not proven to be the panacea for the problems of democratic representation within American society; although communities of interest have been formed and strengthened...and have demonstrated a sense of solidarity, they have nevertheless contributed to the fragmented cultural and political landscape of the United States..."

The authors cite several arguments and conclude "... it seems most likely that the virtual public sphere brought about by [computer mediated communication] will serve a cathartic role, allowing the public to feel involved rather than to advance actual participation."

The counter argument by Howard Rheingold and others suggest 'communications do not offer a utopia, but they do offer a unique channel for publishing and communicating, and the power to publish and communicate is fundamental to democracy. Communication media are necessary but not sufficient for self-governance and healthy societies. The important stuff still requires turning off the

# MANAGING REPUTATION IN CYBERSPACE

computer and braving the uncertainties of the offline world. When we are called to action through the virtual community, we need to keep in mind how much depends on whether we simply "feel involved" or whether we take the steps to actually participate in the lives of our neighbours, and the civic life of our communities.'

One can bet a small fortune that the American political parties will not dare ignore the Internet in the Presidential election nor will any of the other political campaigners from now on. They have already made up their mind. Business leaders are still mostly waiting.

That on-line communication can bring about off-line activity is well proven as the 'Carnival Against Capitalism' demonstration on June 18th 1999 in London showed. The significance of this event is that there was a link between an essentially Internet based political process and a near riot and it was manifest.

In looking at activism later in the book, we shall explore the subject in more detail. The critical element for the commercial world is one of judgement: 'To what extent will virtual communities affect my business for good or ill.'

There are significant political communities evident in Internet Society and it is important to both recognise their existence and the power they can have in commercial life. Shell and Greenpeace showed this over Brent Spar. Greenpeace used the Internet to generate activism on the streets, influence the media and to affect mainstream politicians. Shell, and the rest of industry caught in the headlights of Internet activism froze and showed the potential commercial dangers of capitalist society being marginalised by not recognising the new political potential of the Internet.

## CYBER MARKETERS

Most companies have a Web site. Most people don't visit it.

It is important that Web sites are well designed, have rich content, are a gateway to information, and are interactive.

It is important that interaction and responsiveness to netzines is comprehensive, timely and backed by the whole company. The internal relationship management to achieve this support is a matter for significant internal promotion. In addition, a wide capability in every department to contribute to the company Web site is necessary.

A three month old Web site is like a year old shop window, quaint. It is incumbent on reputation managers to ensure that the company site is current and refreshed. This does not mean that corporate identity should be compromised, in fact there is much to be said for consistency (in my personal view essential) but creativity if designed to enhance the virtual experience in terms of access to information and enhance interactivity is very helpful.

# MANAGING REPUTATION IN CYBERSPACE

Marketing Web sites on and off-line is imperative. All these things are covered extensively in any manner of books and magazines and Web pages and will not be covered here.

Suffice to say that the research companies like Forester Research, Fletcher, Durlacher, NOP, Datamonitor, Marketing Metrix<sup>28</sup> and many more offer a host of information for the Web site marketer. Information from NUA<sup>29</sup> and CyberAtlas<sup>30</sup> and others, the powerful on-line publication 'internet.com'.

The significant facts are that the Internet Community has its own branding for commercial presence. The Forester Research<sup>31</sup> report that normal brands have almost no influence with young US Internet Users when selecting on-line sites to visit. Even on-line brands had mixed reviews and don't necessarily capture the interest of these on-line consumers. The Harris Interactive<sup>32</sup> poll in 1999 found that there is also very poor consumer recognition of Internet retailing (e-tailing) brands.

From this research it would seem that Internet branding is different to traditional brand promotion. As a result I have explored this area from a number of different angles.

There is no doubt that branding is important and that it is needed to create a symbiosis between consumer and company on the Internet. There are big on-line brands. AOL, Yahoo and others have huge brand presence.

Commitment of companies (essentially board members) to the Internet can be measured in their commitment to deliver off line their on-line promise.

The elements are: Branding, accessibility, information, interactivity, performance, and trust.

## **GLOBAL BRANDING**

The way the Internet works in as outlined in this book is carried forward into thinking about product and corporate brands. The significance of Internet brands and brand building is evident from the work of Thomas E. Miller vice president of Cyber Dialogue, a New York company that develops both custom and syndicated research.

His most recent papers suggest that traditional brand building has depended on sheer visibility. It required that the company presented its brand (logo etc) as often as possible. There are not many opportunities for this kind of brand promotion among the many and disparate communities in the Internet Society. In addition, netzines are not passive. Interactive consumers are often uniquely focused on a specific information goal, which can have the effect of blocking brand images, rather than passively receptivity to whatever passes in front of them.

Companies have to respond effectively, then the brand gains on the Internet. If the company is seen as passive, that is presenting its sales 'brochure' on its Web site, then it will fail to interest the consumer.

# MANAGING REPUTATION IN CYBERSPACE

Brands can be promoted on the Internet in several ways. One way is by building large comprehensive sites that are unique such as Amazon or by using the same approach but with a long established brand, with the cultural shock that goes with it! The alternatives may include dynamic presence building using a variety of techniques in concert.

Brand impressions are built on-line in smaller numbers on the Internet. There is no equivalent of mass promotion in Internet Society such as one may achieve using prime time television.

While off-line promotion may be designed to bring visitors directly to your site, on-line promotion has to be a combination of many activities aimed at a variety of communities.

Thus the promotion of the brand may be in getting your site to the top of the listings in Web crawlers, evident in big portals and with banner advertisements on many sites. It may also include a wide range of hyperlinks to your site and encouragement in opinion forming Internet media to both discuss a wide range of subjects related to your site in a wide range of Internet communities.

Brand building in cyberspace needs to ensure that each interaction with a potential customer impresses them of your sincerity, willingness to listen, and responsiveness to whatever needs that person may have. Once again, it appears, the relationship is a question of building and securing trust through a well developed on-line and off line reputation.

Internet users demand excellent service and are not, nor need to be, with so many alternative vendors, so brand conscious. Brand equity is important and is why some sites are able to charge for subscription fees while others must give information away. Brand equity (the value of the brand in the competitive environment) is central to why AOL is the number one on-line service and Yahoo is the top Web index.

Research by Cyber Dialog demonstrated that on-line users would rather bank on-line with their local branch than with an unknown Internet bank. This doesn't mean that an upstart can't compete with big named banks but shows that, in some instances offline brands can capitalise on existing brand equity when they go on-line.

Good Internet brands have a number of common attributes. They offer up to date information, interactivity and corporate culture. With such attributes, even a bad experience will draw the loyal visitor back to the site. On-line marketers have to keep loyal visitors/consumers and capture those just clicking though. In this way the brand will generate repeat on-line business say Cyber Dialogue.

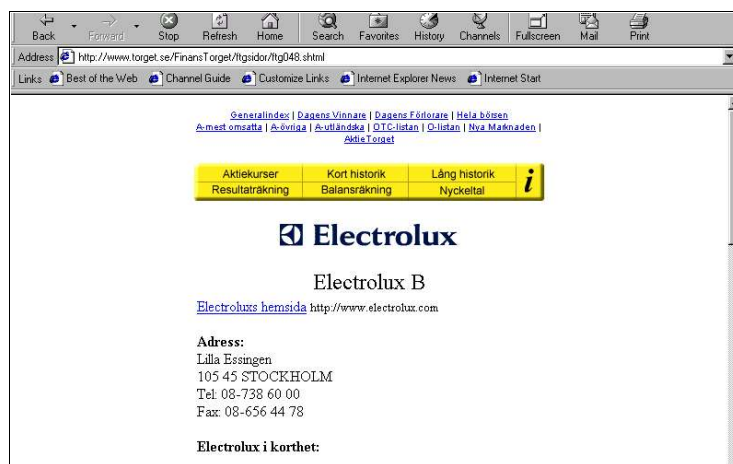
It is now quite clear that the Internet Society comprises many interests and virtual communities. The old rules of brand based marketing (even classifications such as socio-economics) are too clumsy for the sophistication of netzines. Analysing various user segments (by age, sex, reason for Internet use, Internet experience, relationship with Internet Society communities, education and household status) is key to understanding how likely different users will be to respond to the range of products and services.



# MANAGING REPUTATION IN CYBERSPACE

The way a company markets offline does affect its ability to market products on-line. There is evidence from Cyber Dialogue that netzines are using search engines before settling on brands they know.

Electrolux has a world-wide network of dealers, distributors and retailers. They all have their own Web sites. Electrolux has little control over how it is represented on the Web. Some are very good in using the Electrolux style.

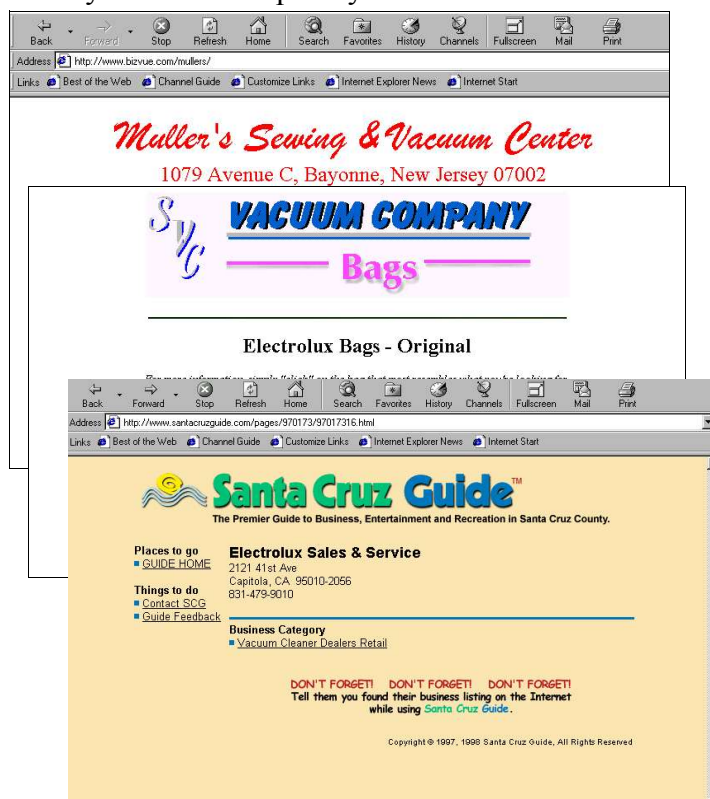


In Sweden, the logo style is used properly and adds to the Electrolux brand and on-line presence but in other places the style can be completely different.

In some instances there is no relationship between the principle and the reseller.

To create such a relationship requires painstaking effort to encourage, cajole and entice co-operation to use the global brand and enhance virtual brand and, as a result, sales.

Many Electrolux retailers have a presence in their local community sites.



# MANAGING REPUTATION IN CYBERSPACE

Here is another opportunity for the company to enhance its Internet brand presence and add to its on-line reputation. This could have been very useful in, say Santa Cruise.

Commonality of branding across the world is now important because of the global nature of the Internet.

## **ACCESSIBILITY**

Cyber Dialogue looked at what factors motivate the average user's search for a product or service and how they came to find a 'site perceived as legitimate'.

The route tends to be a search using a search engine and a visit to, for example, a retailer that sells the desired product. Only after the initial search will customers go directly to a brand or specific site.

Less than one in five admit to going to a site of a brand they know first off. Thus part of the experience in finding a site is to find added information.

Virtual presence building takes many forms and is a two way street. Getting a company with a site to accept your banner advertisement or hyperlink (or even mini-site) is one of the many ways of building the virtual presence of your company. It is also a way for your site to add information about your suppliers and, especially to attract endorsement-by-association with a big, well known or trusted brand.

It works.

When looking for a particular product on-line, 38% of the Cyber Dialogue respondents went to a site sponsoring a brand they were familiar with, having conducted the broad search first.

Kevin Mabley, senior analyst with Cyber Dialogue, says that although price and quality are key motivators, in order to acquire customers within the fragmented on-line marketplace, a company must leverage its brands offline. Those companies with existing reputations have the task of familiarising current customers with the added feature; on-line entities have to go offline to other media to get the word out.

Virtual community acquisition and retention requires trust, and Mabley says the customers like to know what to expect when they go to a site and want to feel part of a community. The formation of a community on-line, in almost all cases, builds trust, he says.

## MANAGING REPUTATION IN CYBERSPACE

He continues 'Consumers are more likely to return to a site if it's identified with a brand they recognise and trust. Of course, coupons, discounts, and free products never hurt when building an on-line customer base.'

There is yet another case for creating promotional synergies between on-line promotion and off line publicity.

Contributing to the WebAttack conference last year Scott Reents<sup>33</sup> commented on research showing how people are using the Web and are deserting other media – usually television. But then went on to identify how different media and the Internet can work together.

He noted that one-third of Internet users report watching less television as a direct result of their Internet use but that this was a relatively small decline in absolute hours of viewing (13% according to other research). Netzines, he noted are more likely to pay for television content, including cable, satellite or premium cable channels.

But the synergistic advantages are, in his view, more important. His research into US television habits showed that 24 percent of Internet users have accessed a URL they saw advertised on TV, which makes TV almost as important as word-of-mouth advice and recommendation.

As an indicator of what we may expect in the UK he noted that 8.5 million media junkies in the U.S. report going on-line while watching TV and they are people who are more likely to use advance technologies such as Shockwave and chat.

These cross media synergies also work in reverse. An on-line company looks to off-line promotion to attract first time visitors. Internet companies in the UK are increasingly looking to offline media to boost on-line brand awareness according to Fletcher Research. On-line firms will spend up to \$62m on offline advertising by the end of this year according to director of research at Fletcher, William Reeve.

For example Excite UK recently launched an advertising campaign which included TV, radio, print and 240 billboards on the London Underground. European director of Excite UK, Evan Rudowski, commented that of the £10 million allocated for advertising and brand promotion in 1999, 70 percent will be spent offline.

According to Ilika Shelley of [Western International Media](#),<sup>34</sup> the major on-line sites will spend up to £2 million on advertising this year, 80 percent of which will be spent on offline media.

Reasons for offline promotion are the ability to foster brand awareness among those who are new to the Internet and those who intend to go on-line in the near future. The cost is relatively cheap and because people are familiar with offline advertising, brands who advertise offline typically reap disproportionately high brand awareness on-line.

# MANAGING REPUTATION IN CYBERSPACE

As the on-line population grows and more income is derived via the Internet, corporate managers will find that there is an imperative to change the way their company advertises.

According to MSBC<sup>35</sup> In the USA, on-line companies were planning to spend \$1 billion on advertising in the fourth quarter of 1999. They needed to make their product or service a household name for the impending Christmas shopping spree. In they anticipated this expenditure would help the company seem attractive to potential investors.

Due to the high cost of on-line branding many start-ups launch an advertising campaign in the hope of raising capital to fund further ventures. Already we are seeing companies fears that if they do not make noise for the Christmas season they're dead.

The majority of advertising expenditure in the US follows the announced methods in the UK.. It will be in traditional media, billboards, sub-ways, buses, print, radio, TV. On-line advertising spend will not be adversely affected.

The inevitable conclusion is that by developing on-line content for these viewers, networks can extend their brands and test methods for blending interactive and broadcast content.

## ***CYBERBRAND OUTREACH ACCESSIBILITY***

A key roll for the brand reputation manager is to extend the company's Internet presence both for the company Web sites and, significantly, beyond it. The more places where the brand is visible, the better. On-line PR is important and is a contributor but is by no means the whole story.

Building a brand reputation is hard work. Few companies look upstream and downstream to add to their brand presence.

Providing stakeholders such as retailers, dealers, distributors with the means and incentive to add the company banner advertisement can deliver the brand message and easy access to the company site in a million different ways.

Retailers and business to business companies can look to the Web sites of their suppliers and ask for the inclusion of advertisements and banner ads to reach out to the supply chain audience. Suppliers in this sense can include everyone from a bank to a shrink wrap vendor.

The book seller Amazon is a brand which attracts a lot of visitors (6 million) and the auction houses (like Ebay, with 6 million) have big audiences too. They have a massive number of on-line marketing partners to draw netzines to their site.

Below is an example of the Electrolux opportunity and demonstrates the point, literally, graphically.

# MANAGING REPUTATION IN CYBERSPACE

## INFORMATION

The most visited (including the same person visiting more than once) sites have very big audiences such as AOL with 47million, Yahoo at 37 million. Retailers like Xoom ranked 13<sup>th</sup> in the world has 9 million visitors.

Across many genre of Internet presence, there is recognition that netzines appreciate access to information. Many sites in the commercial and not-for-profit areas of interest have a tiered approach to the provision of information.

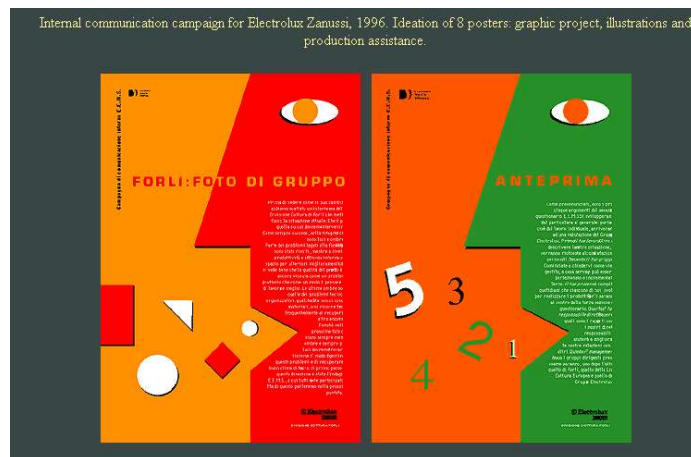
Progressively, the visitor is taken to greater depths of detail until they commit to an action. This process is effectively used in a progressive approach to make sites 'sticky' and to effect a behavioural change (such as selecting a product, agreeing to the purchase and then paying for the product and service). For the expert salesman, this is but a translation of long held selling practice into on-line selling.

Sites with rich content and a lot of information like Yahoo can keep people on their sites for a long time (1hour 8 minutes on average). But, more normally, even the best in the world have not much more than ten minutes of Cyber Society's time at any one go. Sites with lots of interaction, especially running over broadband networks such as cable have better brand awareness and longer dwell times on site<sup>36</sup>

This process of adding interest and does not have to be a copycat version of the big portals. It can take other forms. Here are some interesting Electrolux features that add to its on-line presence. In many instances it can take the form of information relevant and interesting to the life interest or life style of the individual netzine.



# MANAGING REPUTATION IN CYBERSPACE



Providing information can come in many guises. There is an 80:20 rule among many Webmasters. They accept that external hyperlinks to their own site and links from their site should be in the proportion of 80:20. This is a two edged sword. A hyper link to a site is a claim of allegiance. Sometimes this is welcome but not always.

Some hyperlinks can and should offer opportunities to build and enhance the company Internet Brand presence. This could be with a retailer, as in the case of Electrolux or perhaps a new form of business. There are often opportunities to make the relationship commercially advantageous.

Many sites could put the Amazon.com URL on their site but, by incentivising the process in a variety of ways, Amazon have tempted most to put a banner advertisement there instead. The device used by Amazon is now passé but the principle has many applications.

Site navigation is a big problem and getting it wrong can be a major mistake.

One third of all customers who opened an on-line bank account in the USA during 1998/9 closed their accounts according to a study by Cybercitizen Finance<sup>37</sup>. While 3.2 million people opened up virtual bank accounts in the previous year, 3.1 million stopped using their accounts. When asked why they discontinued their accounts, fifty percent said they found the sites too complicated to navigate and customer service was dissatisfactory.

## INTERACTIVITY

The most boring sites to visit are those that look like a company brochure pasted into a Web site. One look and you have seen all there is to see.

The advent of technologies such as Shockwave, Java, MP3 and steamed audio and video has made Web sites exciting places to visit. As long as download times are kept very short, they add a lot to the experience.

We know that content is very significant and when it is presented using these techniques, it holds the attention of the visitor. The caveat is that these are aids to content not interactivity for the sake of it.

# MANAGING REPUTATION IN CYBERSPACE

The temptation to tart-up effectively the company brochure with wizzy Shockwave graphics was a phase Web designers went through in 1998 and became an irritant and hindrance to get through to the information required.

These technologies can be used to bring added information and content to the visitor without losing the essential purpose of the site. In such circumstances, they are an added bonus.

Inclusion of chat and discussion groups requiring investment in a moderator or product managers has proved to be very helpful for a lot of companies. It is very important that these sites are visited and used. If not they give an impression of people having no interest, and by inference that the site is not popular. In addition if left alone to fend for themselves they quickly go off message and get filled with all manner of cranks and wannabes.

As most people want to access and exchange information, the most important part of any Web site is its ability to take the visitor through to the information needed and for there to be trust in the information provided.

Well posted links through the sight, access to additional (even detailed) information if needed and the means to navigate back to select more germane information is critical.

So many comments are made about well constructed and interesting sites that they can quickly attract an almost cult following and the reputation of the brand is very much enhanced.

Being able to interact with information outside the site is appealing and the use of hyperlinks is an attractive advantage. Opening new windows helps a company keep in touch with the visitor while this side exploration is continued. Not being able to escape a site is an irritant and there is evidence that many netzines block these sites from their browsers.

Interactivity is manifest in a number of other ways

In 1998 only 8% of the US Fortune 500 company Websites gave a contact person for customers despite a widely held belief that the Internet fosters closer customer relations.

Only 25 percent had a email contact address and 33.3 percent had no telephone number. In the UK, access to contacts is very patchy and all sites should provide ready access (from every page) to a multiplicity of method for contact.

Despite a shortage for skilled workers, 90 percent of sites, in the survey gave no contact name for job applications and only 16 percent had a final posting date therefore prospective workers can not tell if the position is filled or not. Two thirds of the sites provided a facility for potential or existing investors to download financial information, less than a third give a contact person for investors and one fifth did not publish an annual report.

# MANAGING REPUTATION IN CYBERSPACE

If communication is about anything it is a two way street. In the Internet Society, this is an absolute must. The reputation for being unapproachable is not one to foster at the best of times and yet is a common feature of many Internet sites.

## **BRAND PERFORMANCE**

Twenty five top US e-commerce sites revealed that few provisions have been made for real-time on-line customer service and support.

Julie Schoenfeld, president and CEO at Net Effect said: "They've been busy getting their sites up and running. When you think about it, there was virtually no e-commerce two years ago. Now that it's growing tremendously, real-time customer service is the next logical step."

Schoenfeld also revealed that only 5.75 percent of the people who visit e-commerce sites even try to make a purchase.

In a full page article in the Daily Mail in July 1999, Rachael Snowden, tried to buy on-line in the UK. Sites claimed to be able to deliver products in a day and took up to 26 days, one supplier took over a month (but took the money in advance) and products were unavailable. The reputation of these companies on-line and in high circulating newspapers is being tarnished by this lack of responsiveness. The Internet society is well aware that these mistakes need not be made. A number of them have seen the TNT site which shows customers precisely where their products are in the distribution chain. They also know that taking an item off the Web site when it goes out of stock is not the hardest click of a button in a well constructed site and also know how simple it is to charge, without causing offence over the Internet<sup>38</sup>.

While these issues are company process issues, the cost to reputation in the Internet Society is high. Brand values on the Internet will stay at a low ebb until these simple processes are properly managed.

There are exceptions to the general rule of poor delivery.

The top sites for the number of different people visiting them have substantial brand equity because they deliver. It comes as little surprise that organisations that are used to delivering their product accurately and fast buck the trend

Top on-line sites tend to be news sites. MSNBC claims an on-line audience of four million, CNN 2 million ABC news 1.6 million. The BBC attracts one of the largest audiences among Europeans. If you look at the presence of these companies it is powerful on-line and off-line. The BBC mentions its Web site several times every hour. So does CNN. MSN provide access to its news channel from its software CD's as well as its browser.



# MANAGING REPUTATION IN CYBERSPACE

## PROMOTION

### AMBASSADORS

There are many forms of Internet marketing. Ambassador promotion is yet another.

Many organisations have supporters and friends who put up Web sites about their products, services, ideals and campaigns.

This Kodak enthusiast is one of the millions of personal Web sites. They crop up everywhere. Chris lives in the Channel Isles.



On the face of it, Kodak will be very happy to have such an enthusiast providing extra exposure world-wide. Of course this is an enthusiast and his Web site offers an opportunity to ensure that he continues to promote the brand through this Web presence.

A creative reputation manager will use such an opportunity to advance the brand as well as new (and mature) products. A good customer retention opportunity.

On the other hand there is a problem.

Here is the Kodak brand, its logo and corporate identity being plagiarised on the Internet. It raises issues of trade mark and copyright.

For some companies the solution will be to reach for the lawyers and attempt to have the logo removed. As we shall see, it happens. There tend to be tears.

# MANAGING REPUTATION IN CYBERSPACE

Effective Internet reputation management can protect the reputation, rights and companies' investment in corporate image and identity. It will also save a fortune on legal fees!

In this case, the alternative is for a customer oriented person to offer the 'proper logo' with its trademark symbol and some help with the site. A friend can become a real ambassador.

## **ONLINE PR**

On-line public relations is a boom area for the Internet. The reach of on-line news is now huge. Half of all users of the Internet take some form of on-line news every day.

There are two aspects to it.

Most publications publish an on-line version of the printed edition. In some instances, this is a synopsis, in others it is a straight reproduction but, in a very significant number of cases, the on-line version is very different.

Some publications make virtue of their new on-line capabilities. Ft.com is an example and the on-line version is significantly different to the pink pages seen at news vendor stands.

The news vendors in cyberspace are often the big entry Portals and ISP's. They also comment about news and Web sites, attracting vast numbers of hits for the selected few. A new form of PR.

The most significant value of these on-line publications is their ability to handle a greater range of news all the time and to offer greater depth of reporting. When a big story breaks like the Kosovo crisis, much news is abandoned for the printed version to make space for extensive, single story coverage. Once frustrating for journalists and many readers alike, the advent of the Internet allows many publications to provide both the big story and special interest coverage as well. Some of these publications break stories as they happen and do not wait until the print version hits the streets.

On-line publications have all the advantages of their traditional brethren and none of the disadvantages of having to print, wait until publication for the news to break and have one big benefit. They can provide immediate contact with other sources of information and news. The hyperlinks from an on-line publication offer a significant advantage.

Immediate response to stories is now open for all and letters to the editor come in the shape of e-mails by the hard disc full. To enhance the offering of on-line media, it will e-mail its readers, stream data to them and provide a vast range of alert and archive resource.

Oddly enough, many journalists still prefer to receive information in printed form. Their problem being that they receive hundreds of e-mailed 'press releases' every day and cannot process them all. As a result they tend to look for e-mails they know are

# MANAGING REPUTATION IN CYBERSPACE

coming from trusted sources, use on-line news agencies and distribution firms. The PR virtues of knowing the journalist and building an effective PR relationship is as important as ever.

## **SPONSORSHIP MARKETING**

The Internet Society is ready made for enthusiasts. In addition to the official Manchester United Web site, there are dozens of sites dedicated to the team. The newsgroup postings run into thousands every month and there is a minute by minute analysis of every move in on-line media sites as well.

Internet sponsorship has a host of advantages. The first is that the sponsor can target the audience with great precision. As long as the symbiosis between an the sponsored activity and its interest group match the marketing need, then the match is 100%. Unlike all other forms of sponsorship, this is target marketing at its finest.

The second advantage is that the events and activities of the sponsored activity provide every reason for the netzine to return to the site on a regular basis, and can be encouraged to do so.

The appeal of a sport, music or other sponsored activity already attracts netzines to particular sites. While sponsorship can aid added interest in the site, there is already a considerable real or pent-up visitors presence. In addition a wide range of portals encourage visits to sports and cultural sites providing excellent third party promotion.

There would seem to be less resistance to advertising on sponsored sites than for other forms of internet advertising.

There are also many opportunities to look for added value links and third parties.

ESPN, has been a leader in sport marketing on the Web. ESPNNet SportsZone<sup>39</sup> is often cited as providing the best example of the future of the media in Cyberspace. Three years ago (when the Internet Society in the USA was only 47 million) ESPNNet provided over 140,000 daily users with interactive games, up-to-the minute scores, game reports, feature stories, and statistics. Users are continually drawn to the site as a result of ESPN's Web strategy. Its attractions include up to date fixture, scores and participant and rules information, chat and discussion groups about a wide range of sports. In addition to the free information it provides, access to real-time results and information, including streamed Webcasting for fee paying visitors, and, in addition, is a heavily sponsored site. Companies sponsoring football also sponsor the ESPN site.

Of ten million people on-line 1 million men and 600,000 women in the UK primarily use the Internet for entertainment<sup>40</sup>. Some 17% of American users of the Internet get sports information from the Internet and the majority do so more than once a week. Translated to the UK this would represent 1.7 million users in mid 1999. On-line sports magazines such as ESPN in the USA, if translated to the UK would attract 28,000 daily visitors. By any standards it would seem that Internet sport sponsorship offers some considerable advantages.

# MANAGING REPUTATION IN CYBERSPACE

With the ability to build large databases of customer information, the Web encourages one-to-one marketing. Anheuser-Busch used its Atlanta Olympic Games theme Web site, budweiser.com, to build a database of customer buying habits during the 1996 Olympics (Warner, 1997).

Effective sponsorship offers a constant stream of visitors who have an endless fascination with the subjects and also provides constant data about the audience.

One of the remarkable developments for the Web is the ability and capability of user's to multitask. The evidence of people buying while listening to streamed radio and television translates well to Internet sponsorship and the opportunities for retail sales are extensive.

Thus there are many good reasons why the Internet sponsorship should be an option for reputation development and they conform to most of the primary reasons why companies use sponsorship as a reputation management tool:

- public awareness
- corporate image
- public perception
- community involvement
- financial relations
- client entertainment
- government relations
- employee relations
- compete with other companies
- business relations
- reach target market
- brand positioning
- increase sales
- sampling
- generate visibility
- generate publicity
- enhance ad campaign
- avoid clutter
- target specificity

The definitive Internet site covering the subject of sport sponsorship, its value and evaluation is 'Cyber Journal of Sport Marketing'<sup>41</sup>.

Sport and cultural sponsorship on-line can be very creative and offers a lot of scope for many types of activity, co-operation with co-sponsors and the organisation being sponsored. One look at the sport of football on Yahoo will give an indication of the range of opportunities that exists in terms of sites where involvement can be developed.

Equally the Internet tools that can be deployed, such as interactive and database driven information can be really appealing.

# MANAGING REPUTATION IN CYBERSPACE

On the one hand you have to be careful about who you sponsor both in terms of sport, arts, events and community sponsorship in order that your good name is maintained.

In addition, you have to take due regard of the companies that bear your banner advertisement or hyperlink.

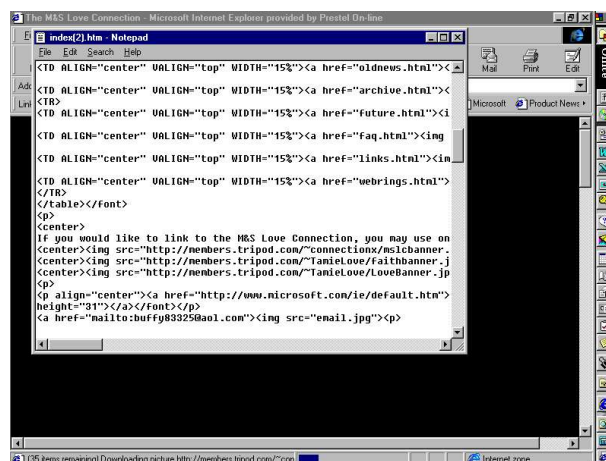
The latter is not at all easy. It is simple for a Webmaster to add your hyperlink to his site. You have to monitor this happening and as necessary get it removed if it will adversely affect Internet reputation.

Furthermore, you will need to be active in promoting your, preferably interactive, presence on other sites especially those organisations you sponsor to enhance your virtual presence and your brand equity.

The public relations industry is well aware of the value of endorsement (the nature of much press relations is based on the concept of media endorsement). On the Internet, endorsement through sponsorship, inter-related marketing and virtual presence building and management of who the company and its brand is associated with, is now an important element of reputation management.

## **BRAND ATTACKS**

What do Disney, Barbie, CNN, Honda and Mercedes have in common? They topped the list of the 10 brands most commonly associated with pornography on the Internet, according to a study by Cyveillance<sup>TM42</sup>, who specialise in on-line brand protection. The other five brand names most often found in pornographic Web sites were Levis, ESPN, NBA, Chevy and Nintendo, respectively. These popular brand names appeared in hidden or visible text on the sites identified and in metatags in 25 percent of the sites suspected of containing pornography-presumably without the brand owners' knowledge.



This study is based on analysis of more than 300,000 Web pages, 75,000 were suspected of containing pornographic material and, of those, approximately 19,000 (25 percent) contained one or more of the nearly 120 popular brands included in the study.

## MANAGING REPUTATION IN CYBERSPACE

The site above shows a well known British high street retailer evident in the metatag of a pornography site. The practice is quite common.

The world of the Internet has also revealed that some companies have used the same device to attract consumers from competitors!

In the UK a company discovered a sudden drop in visits to its site. On investigation it found a competitor had used its name in the metatag, thus steering search engines towards the competition.

In another case, a company used competitor comparisons naming specific brands in its Web pages to seduce search engines to bring competitor enquiries to its site.

Some companies have used front organisations to attack brands they are often noticed because they attack only one type of product when others exist in the market niche. Sharon Beder who wrote *are [Global Spin](#)* mentions a corporate front group called "Mothers Against Pollution", which campaigned against plastic milk bottles. It was discovered that this was initiated by the owner of a company which produced cardboard cartons.

When Yahoo began offering free email accounts to the general public, they made a critical mistake in setting this up so that "@yahoo.com" was the assigned domain for these accounts. Up until then, yahoo.com was used for the company's own employees, and these email identities switched to "yahoo-inc.com." It didn't take long before some enterprising sort claimed **contest-winner@yahoo.com** or some such tantalising address, and had people sending their credit card numbers, thinking they were corresponding with a genuine Yahoo employee.

Software is being distributed which allows users to change the contents of a web site, adding their own remarks to it as desired, and that there was 'no way' the webmaster is able to prevent it and there is no reason why the webmaster should even be aware it was happening?

A company called Third Voice, distributes a browser that lets you mark up any web site you visit with your own commentary, anywhere on the page you feel like.

The page is then stored on a server at Third Voice. Anytime you set your browser to some URL, a search is made of the server at Third Voice and will display the changed pages.

If Third Voice does not have a copy of the page on file, then they just let you take the webmaster's actual copy instead. For the user, it is all quite transparent. All the user has to do is indicate a desired URL, and the browser will go off in two directions: one to the actual site, and two, to the Third Voice server. If it finds a copy at Third Voice, then that is the copy you receive.

In most cases, unless the webmaster himself happens to view his page using the Third Voice browser application, he won't even know his page was defaced and rewritten.

Third Voice believe it will improve the net by allowing everyone to comment on

# MANAGING REPUTATION IN CYBERSPACE

whatever web sites they visit, and to have their comments available to all other visitors as well.

At the core of much Internet marketing is a presumption that companies and organisations are protecting Intellectual Properties. Copyright, patents, trade marks registered and company names and Internet addresses need considerable attention. Companies do not own what they do not protect. As these case studies show, a number of companies need to be much more aware of how they will protect their good name and the value of their brands as the Internet becomes more pervasive.

## **CYBER COUNTERFEIT SALES**

“Children’s toys are not the only items being counterfeited and sold over the Internet” said Brandy Thomas, CEO and chairman of Cyveillance. “The Internet has become a hotbed for the sale of counterfeit luxury items that you might typically find on any street corner in New York City—watches, pens, sunglasses, leather goods, you name it. Like in the streets of New York, prices that seem too good to be true, usually are.

“With every click of the mouse, companies are increasingly at risk of losing significant market share due to brand confusion and devaluation of their image while cheap imitations become ever more accessible over the Internet. An impending crisis awaits companies that don’t act now to protect their valuable brands on the Internet as the Web continues to grow.”

## **INTERNAL COMMUNICATIONS**

Every company has employees with access to the Internet. Many employees have personal access to the Internet.

It is not surprising to find that employees look at the company Web site and its competitor's Web sites and those of the company's stakeholders at work and play.

Equally both at work and in their private lives, people talk about their company with other people through the Internet.

## **POROUS ORGANISATIONS**

The time when company executives were in control of what was said about a company has been fading for some time. Growth in the numbers of publications has meant that there is already a wide media with ever more specific interest in the company. The advent of the Internet now means that any and every aspect of the company is open to comment by anyone. What is said can come from employees, suppliers, investors, activists, in fact any stakeholder. In addition, comment about your company can be made by people who have no knowledge about the company what so ever.

## MANAGING REPUTATION IN CYBERSPACE

This porosity, the means by which information can flow in and out of a company from and through anyone, is one of the most significant aspects of the Internet for company directors.

It means that there is a need for a completely new way of thinking about mission, strategy, internal motivation and communication.

There will always be disaffected stakeholders. The key to management of this phenomena is in ensuring that there is close understanding of corporate objectives throughout the organisation. In this way, even the most unpalatable events can be managed without the disaffected being able to create a constituency that will harm the corporate whole.

In addition, the Internet adds the dimension that the company will need to protect its stakeholders from the effects of the disaffected.

### **CYBERSAVVY STAKEHOLDERS**

This returns us to the need to implement company wide belief in corporate mission, standards and objectives. To have an effective outward presence, managers need to look inside their organisation to secure commitment among their own stakeholders.

In many ways, the Internet provides its own solution with the availability of Intranets, which, if attractive, instructive, helpful and appealing offer excellent means to communicate at every level at the kind of speed the Internet demands.

The nature of companies with effective Intranets is that its application also makes the company more porous and this level of transparency has its drawbacks. That there is confidential information in every company goes without saying. Clarity in explaining why it is confidential and the consequences of such information in the wrong hands to fellow stakeholders needs to be articulated to all.

In this way, the company creates its own defences and the virtual communities within the company become substantially self regulating.

### **CYBERSTALKERS**

Professor Gregory Boller and his students at the University of Memphis published an article "Taking Stock In Congress" some time ago. It used information available on public databases to link the voting records of U.S. Representatives and Senators to their personal stock-trading.

This information is in the public domain but not ordinarily available to citizens who don't know how or where to look. It revealed some intriguing correlation's.



## MANAGING REPUTATION IN CYBERSPACE

By combining the databases that track the voting and investing information with a network that distributes the information, in this case a Web site, it becomes possible to provide a citizen's guide to who owns who in Washington.

[Mojo Wire](#)<sup>43</sup>, is the Website which connects the databases into a "Taking Stock in Congress" section where citizens can follow the stock transactions and voting records of "83 members of Congress who purchased or sold stocks near the time of Congressional votes or other government actions relevant to the stocks' value."

There have been some interesting revelations.

" Senator. Alfonse D'Amato (R-NY) bought up public utilities stock just two days before President Bush signed the National Energy Conservation Act, which deregulated energy transmissions, offering growth opportunities for many utilities. Newt Gingrich (R-GA) helped kill amendments to cut funding for the space station program just three weeks after buying stock in Boeing, which was subsequently named the prime contractor for the station.

Senator Lloyd Bentsen (D-TX) bought stock in a food and dairy company, Morningstar Foods, four days before the introduction of an amendment to the National School Lunch Act. The amendment called for diversifying milk choices for school lunch programs, opening the door for Morningstar's various milk products. Later that year Bentsen unloaded his Morningstar stock just before the Justice Department opened a probe into the company for bid-rigging."

Another Website that provides useful information about funding sources of political campaigns is the [Center for Public Integrity](#)<sup>44</sup>. CPI founder Charles Lewis was an emmy-nominated investigative reporter for CBS News and ABC News, and is the author of *The Buying of the President* (Avon 1996).

The combination of public information and modest computer savvy makes it possible to track the assets of the top Presidential candidates, including honoraria paid to candidates while holding public office, trips taken, identity of largest contributors.

This is a legitimate activity and especially so for people in public life.

If it was applied to the non-executive chairmen of companies or even the corporate affairs directors of corporations, would it be an infringement of their civil liberties?

This kind of behaviour falls within the realm of cyber stalking.

Where to draw the line is an issue.

It is not difficult to find out information about people. Here is an unsolicited e-mail advertisement for software to help:

From: yes\_U\_can\_Spy2@hotmail.com  
Subject: Don't Get Ripped Off!!! There's only ONE Internet Spy and You Software. (Mac or PC)

*WE ARE BEING FORCED TO DISCONTINUE SELLING THIS INFORMATION.  
Don't miss this very limited time opportunity to get the software that will allow you to become the ultimate "Super Snoop" on anyone !!!*

# MANAGING REPUTATION IN CYBERSPACE

*Get The SOFTWARE They Want BANNED In All COUNTRIES!!!*

*"THE INTERNET SPY AND YOU" SHOWS YOU HOW TO GET THE FACTS ON ANYONE!!!*

*Get the facts on anyone using the Internet!*

*Locate Missing Persons, find Lost Relatives, obtain Addresses and Phone Numbers of old school friends, even Skip Trace Dead Beat Spouses. This is not a Private Investigator, but a sophisticated SOFTWARE program DESIGNED to automatically CRACK YOUR CASE with links to thousands of Public Record databases.*

*Find out SECRETS about your relatives, friends, enemies, and everyone else! -- even your spouse with the new, INTERNET SPY AND YOU!!!*

*It's absolutely astounding! Here's what you can learn:*

*License plate number!*

*Get anyone's name and address with just a license plate number!*

*(Find that girl you met in traffic!)*

*Driving record! Get anyone's driving record*

*Social security number! Trace anyone by social security number!*

*Address! Get anyone's address with just a name!*

*Unlisted phone numbers! Get anyone's phone number with just a name - even unlisted numbers!*

*Locate! Long lost friends, relatives, a past lover who broke your heart!*

*E-mail! Send anonymous e-mail completely untraceable!*

*Dirty secrets! Discover dirty secrets your in-laws don't want you to know!*

*Investigate anyone! Use the sources that private investigators use (all on the Internet) secretly!*

*Ex-spouse! Learn how to get information on an ex-spouse that will help you win in court! (Dig up old skeletons)*

*Criminal search-background check!*

*Find out about your daughters boyfriend!*

*(or her husband)*

*Find out! If you are being investigated!*

*Neighbors! Learn all about your mysterious neighbors! Find out what they have to hide!*

*People you work with! Be astonished by what you'll learn about people you work with!*

*Education verification! Did he really graduate college? Find out!*

*Internet Spy and You Software will help you discover ANYTHING about anyone, with clickable hyperlinks, no typing in Internet addresses! Just insert the floppy disk and Go!*

*You will be shocked and amazed by the secrets that can be discovered about absolutely everyone!*

*Find out the secrets they don't want you to know! About others, about yourself!*

*It's INCREDIBLE what you can find out using the Internet Spy and You and the Internet! You'll be riveted to your computer screen! Get the software they're trying to ban! <sup>45</sup>.*

This ability to source information from disparate resources, add then together an adversely influence corporate reputation is a potential hazard in many ways. In particular in the case of Cyber Stalking.

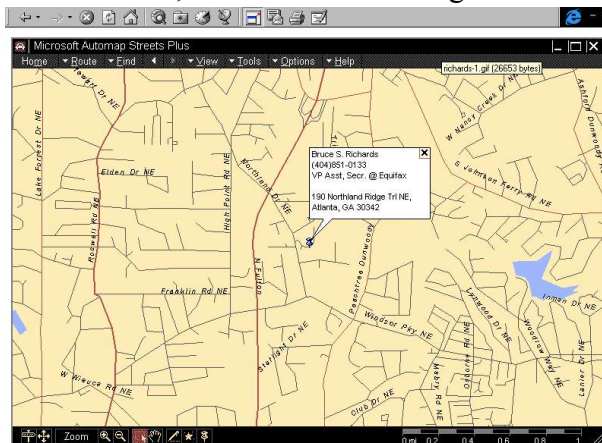
There are cases where cyber stalkers have created sites about employees.

# MANAGING REPUTATION IN CYBERSPACE

Since February 1997, Bill Sheehy has operated a Web site which contains four general types of content: (1) Sheehan's grievances against government officials and private parties, most of them credit reporting agencies and debt collection services; (2) Strongly worded expressions of opinion (e.g., referring to a corporation as "criminally insane," etc); (3) allegations about corporations and persons which were claimed to be defamatory; (4) Information about employees of companies.

After Sheehan filed his lawsuit, he added to the Web site information regarding defendants' outside counsel.

The information about employees includes home addresses; street maps identifying the locations of the addresses; home telephone numbers; fax numbers; social security numbers; photographs of automobiles and their license plates which appear to have been taken in public; and photographs of people which appear to have been taken in public. Sheehan declares that he obtained this information lawfully, from such public information sources as the Washington Secretary of State and other Internet sites. Sheehan's Web site contains no explicit encouragement for readers to engage in any specific conduct, or to use the information about employees or attorneys in any specific way. Other than the actions of Sheehan himself, the record contains no evidence that any other person has ever contacted any employee or any individual identified in Sheehan's Web site, as a result of viewing the site.



(a map taken from Sheehan's site)

Never-the-less, there are details, shown on the Web site and presented in court about a number of employees of a number of companies.

The protection of employees, and in particular employees whose reputation is valuable to the company is a matter of reputation management. The legal case is difficult to follow round the world and so protection is the first line of defence.

There's no question that cults, conspiracy groups, and the lunatic fringe have found homes on the Internet. Nor should this surprise us. The Internet is, if nothing else, an effective medium. Of course fringe groups are going to take advantage of this technology. How could they not? The key for reputation management is to be aware of the problems and to ensure that all employees are aware and alert to these issues.

# MANAGING REPUTATION IN CYBERSPACE

## ***PROTECTION FROM CYBERSTALKERS***

Email is a favoured medium for cyber tormentors. Obviously, everyone who's received email from an employee has access to their email address. With some on-line services, such as AOL, screen names are also an email address. And if they have ever posted an item on a newsgroup, the email address may be available to anyone who reads that item.

But employees do not have to take any direct action to put themselves at risk. People leave information behind every time they visit a site. Try visiting [www.Anonymizer.com](http://www.Anonymizer.com), and click the "Don't believe us?" link to get a glimpse of the sorts of information presented, often without knowing it, every time they surf the Net. (The site also sells tools to enable you to surf anonymously.)

There are a lot of helpful tools about such as <http://consumer.net/index.asp>

There are other forms of email stalking and harassment aside from obscene letters. It is possible to forge email identities, to be used for posting messages aimed at embarrassing or discrediting your company. And more technologically sophisticated email harassers may send a mail bomb, filling your mailbox with hundreds or even thousands of unwanted messages.

Principally to help protect individuals, a number of organisations have sprung up to help avoid and protect people from the worst excesses of the Internet. Managers can put in place defence mechanisms and may consider that they have a responsibility so to do.

Examples such as HateWatch, (<http://hatewatch.org>) are Web based educational resources and is an organisation that combats the growing and evolving threat of on-line bigotry. Originally a Harvard Law School library Web page, this project soon grew too large and the need for a more activist orientated organisation became apparent.

In 1996, HateWatch incorporated in Massachusetts began to actively monitor hate groups on the Web.

Among other resources, HateWatch now keeps the most up to date catalogue of hate groups using the Web to recruit and organise. HateWatch is considered an innovator in the use of Web based outreach and is a leader in the fight for civil rights and social justice.

Cyberangels (<http://cyberangels.org>) whose mission is to help create a user-friendly and safe on-line surfing experience for everyone! They have three goals:

1. safety and technology education,
2. providing help to law enforcement and to Internet users in need and
3. protecting the innocent on-line.

Finding out who is the perpetrator of malicious content is not too difficult. The Internet tools for tracking a large proportion of those who pose a threat are readily

## MANAGING REPUTATION IN CYBERSPACE

available and include: <http://samspace.org/> or <http://www.networksolutions.com/cgi-bin/whois/whois> and there are many more.

As always with the Internet awareness and common sense rule. First comes awareness. Awareness of the issues is important and this paper indicated where more information can be found. In addition monitoring is an important aspect of reputation management. Common sense, including the process of making employees (and especially directors) aware of the pitfalls, will be applied by all good companies.

# MANAGING REPUTATION IN CYBERSPACE

## INVESTOR RELATIONS

In June 1999 Ian Capp, President of PR Newswire spoke to the American Chamber of Commerce about the Internet and its influence on global investors<sup>46</sup>.

"There is no question that the World Wide Web has arrived as a viable investment tool. Four out of five investors report that they now access corporate information via the Web, up from only 22% in 1996," he said.

"There are an estimated 7.2 million investors trading on-line today with equity assets of \$420 billion, which are expected to triple by the year 2000. Investors want easy access to company information, from mergers and acquisitions to personnel announcements anything that will affect the price of the stock."

"More than 1500 foreign companies sold equity in the United States in 1988. U.S. investment in foreign companies increased exponentially from \$91.5 billion in 1988 to more than \$600 billion in 1998. We are now in a period of 24-hour, global trading, and corporations must be complete in any statement they issue, because that information can be traded on -- at any time -- somewhere in the world."

Of course, in Internet terms, this was a long time ago. Global brokers, traders, analysts and fraudsters are now active in every form of information provision and communication channel on the Internet.

Freeserve have announced plans to launch a new on-line trading service in conjunction with GlobalNet Financial, Canada's First Marathon and Mesinrow Financial in early 2000.

The move is an attempt to cash in on the burgeoning on-line retail trading market. A recent [survey](#) by Gomez Advisors and Harris Interactive found that within by first quarter 2000 the on-line trading community will swell to 16.28million.

The service will offer on-line trading and brokerage to retail investors and also act as a clearing house for British brokers looking to expand into other European countries. The new venture plans to compete with existing on-line retail trading houses in the UK, E\*Trade and Charles Schwab.

Halifax and Prudential have also announced plans to launch an on-line retail trading service and competition is set to be high given Freeserve's plans to charge well below the average £20 fee for daily trades.

Gomez Advisors and Harris Interactive found that a high proportion of investing netzines already have a full service broker but that here was a significant number who have no accounts but use on-line brokerage services and read the research reports.

According to Gomez analyst Dan Burke, the typical US Internet stock trader is now a mainstream investor as opposed an early adopter. Accordingly those brokerages which

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provide mainstream services will be the ones most likely to garner the majority of the expected influx<sup>47</sup>.

With many markets and thrice as many regulatory systems, there is a bureaucrats conspiracy to make global trading hard. Information applicable to one country or state is not applicable to another. This is the Internet. All information is available and people have immediate contact round the world and round the clock. The conventional rules apply very lightly.

Investor Relations managers now need to be of the Internet Society. They have to prepare against a range of eventualities that will, sooner or later afflict them. Learning from the case studies here will provide some of the defences needed and will help prepare for the unexpected.

At the same time, in order to reach out to both private and institutional investors, closer attention is needed to the promotion of capitalism, investing, information, and interactivity, including means to buy shares, or face the consequence of being left well and truly behind.

Internet Society citizens will not have the patience to wade through the present systems. It's not their style.

## **SHARE SCAMS**

There are a host of scams. Professional Internet promoters, some with elaborate briefing sites and any number of ways to avoid regulators.

Masquerading as 'Analysts' they offer a range of services. And look very appealing. The content of [www.financialWeb.com/stockdetective](http://www.financialWeb.com/stockdetective) is packed with scams and promotion devices, names people and companies and shows Web site URL's. It has a marvellous page of alleged scams called 'Stinky Stocks'.

Not all such sites are so safe to visit. Some offer information about scams and are the heart of them as well.

The Canadian Globe and Mail reported in April 1998 that regulators in three countries investigated an international stock sales scam involving a group that used a Canadian brokerage firm's Web site to lend itself credibility.

The group, which sold stock in fictitious companies to victims in Sweden, operated under the name Turner Phillips and said its head office was in Vancouver.

In fact, regulators have no idea where the firm operated from or who is behind it, Lang Evans, compliance officer at the British Columbia Securities Commission, said: "It's quite an elaborate scam. . . . We're not even certain that the names are anything more than pseudonyms or aliases."

The BCSC published notices to alert the public to the fraud, which used boiler-room sales techniques and the Internet to pitch shares to investors. The notice said the scheme "has been recently conducted on an international scale, resulting in the loss of millions of dollars to affected investors world-wide."



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The scam worked like this:

Turner Phillips found a novel way to make it appear as though it was a member of the Investment Dealers Association of Canada, three Canadian stock exchanges and the NASDAQ Stock Market in the United States.

It copied all the information on the Web site of an unnamed Canadian investment dealer that is a member of these self-regulatory agencies and superimposed the name Turner Phillips onto that firm's data, then posted the material to its own site.

Turner Phillips contacted prospective victims over the telephone and then referred them to the Web site for more information on the firm. Although Turner Phillips said it had its head office in Vancouver, all it had in the city was a mail drop and a telephone answering service. Calls placed to the Vancouver number were forwarded to a location in Washington State and then from there to another location. Mail was forwarded to somewhere in Ontario.

Regulators in British Columbia, Alberta and Ontario in Canada, the Securities and Exchange Commission in the United States and officials in Sweden launched an investigation on March 20 after complaints from about six Swedish investors.

This case mirrored a similar one in the previous year. In that case, an Irish-registered firm sold shares in three small U.S. companies before it was closed by securities regulators. But even after the SEC began investigating that case, officials at the Irish company posed as securities investigators to entice more money out of their victims, according to the Financial Times.

The Irish firm approached customers who had already bought shares from it with offers to buy back their shares at many times the market price. These offers were dependent on the customers paying advance fees. The men posing as investigators gave assurances that the offers were genuine. The fees customers paid disappeared, thus multiplying their losses.

Some companies are formed and have Internet names that look very familiar. One Stinky Stock candidate on the [www.financialWeb.com/stockdetective](http://www.financialWeb.com/stockdetective) site is B.A.T. International, called by Stock Detective "B.A.T. Out of Hell". It has no Links with the UK Company, BAT Industries. Its US namesake's reputation is poor and in the Global market for information there could be confusion.

In an Autumn gale of e-mailed press releases and advisors notices, there is every opportunity to create chaos with a company's shares.

## **GULLIBLE INVESTORS**

An invitation to invest comes in many guises. The following is but one example:

From: Internet IPO [mailinglist@504ipo.com]  
Sent: 07 August 1999 07:17  
To: investor2@504ipo.com  
Subject: Internet Stock Offering - IPO shares

*INTERNET PUBLIC STOCK OFFERING*



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*CD EXPLOSION CORP., a Delaware Corporation, is offering up to 625,000 Shares of Common Stock at \$1.60 per Share. Minimum Purchase of 200 Shares Required or \$320 USD.*

*Shares in this publicly owned Internet company are available to a select number of sophisticated investors who meet the requirements set forth in Reg D. Foreign and non-residents outside of the United States of America may participate in this offering. Proceeds to fund expansion of Internet operations and satisfaction of market listing requirements. This Private Placement offers the opportunity for investors to take a position in the company BEFORE the stock begins trading on the OTC Bulletin Board or on NASDAQ.*

*A copy of the company's official offering circular, subscription docs and Website URL are available to Accredited Investors only by filling out Web-form located at: <http://www.504ipo.com>*

*THIS OFFERING IS AVAILABLE TO FOREIGN AND NON-RESIDENTS OUTSIDE OF THE UNITED STATES OF AMERICA.*

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*NOTE: This message is sent in compliance of proposed new e-mail bill: SECTION 301. Per Section 301, Paragraph (a)(2)(C) of S. 1618, "further transmissions to you by the sender of this email may be stopped at no cost to you". See instructions below.*

## *REMOVAL INSTRUCTIONS:*

*Our NO SPAM policy let us only send emails to people we have contacted or has answered to a prior mailing. If you received this in error, please reply with "REMOVE" in the subject line. We apologize for any inconvenience.*

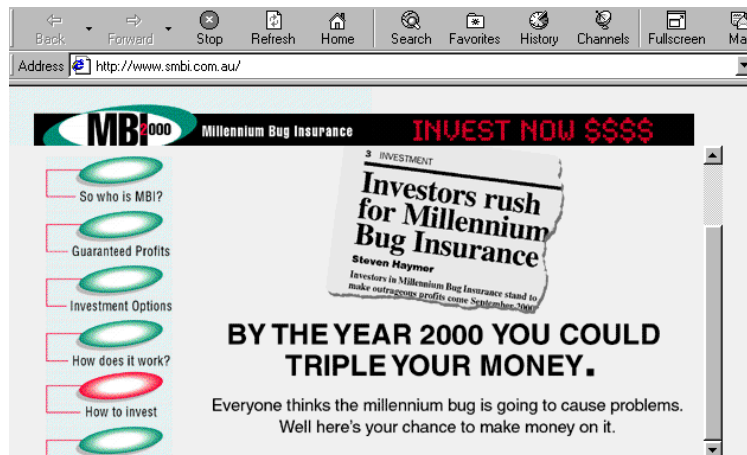
Experience shows that such unsolicited offerings abound and that some people, without further investigation will put money into such stock. The above offering may be genuine, but a full and proper investigations (going well beyond the Web site mentioned) is required before a penny should change hands.

Some reputation influencing Internet citations are not to be believed.

A Web site can look good but can also be the front for a \$multimillion scam. The Australian Securities and Investments Commission (ASIC), as an educational exercise, revealed how it fooled more than 233 people to commit more than \$4 million on a fake Internet investment site,

<http://www.smbi.com.au> .

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Investors in "Millennium Bug Insurance" were told they were on to a sure thing, with promises of a tripling of their investment in 15 months. ASIC Chairman Alan Cameron said during April 1999 that 10,200 people visited the fake ASIC site, 233 people committed themselves to \$10,000 and \$50,000 investment packages and 1,212 people asked for more information about the investment.

"This shows how willing people are to part with large sums of money without finding out anything about the company they are giving their money to," said Cameron.

"Some people, who might normally question the validity of an investment offer, seem to think that offers on the Internet come with some authority. They don't! Taking advice over the Internet is the same as taking advice from someone on a street-corner."

Cameron told people to be sceptical about offers which look too good to be true, advised them to check with ASIC for registered investment schemes and contact financial advisers.

The concern many have is that the shares of a perfectly respectable company will be touted in this fashion to millions of potential investors by a person wanting to lever up stock value as part of a scam.

In a few hours, the share value of a company can change for no apparent reason and the Investor relations manager will be faced with explaining to the Exchange and its investors how its value has been affected.

There is precedent.

A phoney Bloomberg tip, part of a disguised Web page hoax about a purported take-over of PairGain Technologies, prompted on-line speculators into a feeding frenzy and sent shares of the company's stock soaring 34% on April 7 1999. A Yahoo chat room visitor publicised the page's existence. A lot of people visited it and decided to buy the stock.

The whole scam was invented by Gary Dale Hoke of Raleigh, N.C. Hoke, a PairGain employee, who owned stock in the company, which makes high-speed Internet

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connection products. The story falsely claimed that an Israeli company was acquiring PairGain for \$1.35 billion in cash. Shortly after the story was posted, PairGain's stock surged from \$8.50 per share to \$11.25. The stock later dropped after the hoax was exposed.

The FBI traced his work through Net access logs subpoenaed from Yahoo, Hotmail, Angelfire, PairGain, and MindSpring. Eight days later, he was found and arrested by the FBI and charged with posting a false news story on the Internet.

With a recent explosion of interest in Internet chat rooms, stock market Web sites, and on-line trading, securities regulators must move quickly. "The US Securities Commission will dedicate a lot of resources to it because they want to prevent copycats, and this has gotten a lot of publicity," said Washington lawyer Harry J. Weiss, a former SEC associate enforcement director.

The range of frauds, from selling bogus investments, manipulating stocks, setting up pyramid and Ponzi schemes, operating without a broker's license is quite significant.

"The Internet is clearly the marketing vehicle of choice for con artists in the '90s," said Bill McDonald, chief of enforcement for the California Department of Corporations. "It's cheap, it's speedy, it's anonymous - all tremendous advantages for fraud artists."

At the state Department of Corporations, a small squad of cyber sleuths has shut down dozens of scam outfits in California and taken legal action against 184 defendants.

At the SEC's Office of Internet Enforcement, a cyber force of 125 attorneys, accountants and investigators spend thousands of hours cruising the Web for suspicious activity.

Before the Internet, a few hundred victims suffered. Now, with many millions on-line, con-artists have easy access to millions of people.

Recent lawsuits in the USA (1999) against anonymous contributors to Yahoo's financial bulletin Board are most interesting. While not mentioning Yahoo specifically as the defendant, the outcome could adversely affect all providers who offer anonymous services for users of the Internet.

The recent case where Wade Cook Financial of Seattle sued 10 'John Does' (unidentified persons) for making allegedly defamatory comments about it on the Yahoo Bulletin Board gives pointers as to where reputation management may eventually go.

Erroneous postings using pseudonyms alleging that the companies' founder had been arrested for accepting bribes "used the anonymity of the Internet to damage the reputation and undermine the business of a legitimate company" claimed attorney Paul Anderson, who represented Wade Cook, in an interview with Reuters.

While the American Civil Liberties Union accepted that such circumstances would be defamatory, it is disturbed by the possibility of a flood of litigation against people who

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participate in on-line discussions and could stifle meaningful debate on bulletin boards.

## **DISGRUNTLED EMPLOYEES**

David Sobel, the general consul at the Electronic Privacy Information Centre, identifies an issue where a company has a legitimate need to protect itself from disgruntled employees or ex-workers who make scurrilous postings in order to drive down share prices and the legitimate reasons for on-line anonymity. He says: "If you're serious about prosecuting crime on the global communications infrastructure, you have to have traceability."

In the Raytheon case, the company asserts that employees leaked proprietary technical and financial data via the Internet. While an employment contract may bar employees from discussing company secrets in public (and confidentiality law is more widely applied in Europe), the First Amendment may give employees a right to do so. Sobel says: "The Supreme Court has said the First Amendment protects the right to communicate anonymously, so I do see a First Amendment problem with these cases." A company may be protected in the UK but not in the US and as a result the story will be available everywhere.

How the USA reacts to these issues is important for the rest of the world. In first place the USA is the most mature Internet culture in the world. It is also the biggest user and is likely to be for a long time. Thirdly, the Internet is global and the standards of the Internet rapidly become global in nature. Importantly, much of the information posted on the Internet can be considered to have been 'published' in the USA. Finally, the Internet is libertarian and liberal by its very nature.

That these issues should come to such a pass point directly to management of reputation and especially to reputation on the Internet. It is hard to be sympathetic with companies who are out of touch with their employees and their own e-culture.

The saga continues with a court ruling in April 1999. Yes, people on the Internet can grumble in the anonymity of chat rooms or electronic message boards.

One of their favourite targets is the boss. In the USA the courts take a different view of right to remain safely behind an alias or screen name if they feel what is being said could be illegal or a violation of a contract. In a current breach of contract case Yahoo had to provide Raytheon Co. with all the personal information it had on 21 defendants for a case alleging they disclosed "certain Raytheon proprietary and confidential information on the Internet" via anonymous postings on a Yahoo electronic message board. Two Raytheon employees have already resigned.

Experts say the requirement to give up information is not that unusual. America Online did much the same when it gave law enforcement officials evidence to track suspected "Melissa" virus author David L. Smith. The Raytheon case, however, offers a clear lesson to users of electronic messaging systems and other on-line services: It is important to examine carefully the rules under which on-line pseudonyms can be

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revealed. Yahoo, for one, requires users to read and agree to its policy before they can use the free service<sup>48</sup>.

## **PROTECTING INVESTORS**

Whereas, this information is available to US investors, The UK authorities have very little offer British citizens. The London Stock Exchange site ([www.londonstockex.co.uk](http://www.londonstockex.co.uk)) simply invites visitors to Internet share dealing companies. Its not that UK organisations are all innocent.

World Investment Network Ltd. looks like a typical financial Web site. It shows e-mail addresses, telephone and fax numbers, a Palo Alto office. It has on-line links to the Federal Reserve, J.P. Morgan, the New York Stock Exchange. An investor surfing the site last year would have found an investment offer called "The Winsell \$35K Lease \$1 Million Program." This "non-risk" and "high-yield" program guaranteed an astounding 40 percent return every 15 days, according to the Web site. An initial \$35,000 stake would make \$3 million in one year, the site claimed.

Suspecting fraud, the U.S. Securities and Exchange Commission launched an investigation last year into the World Investment Network and its 61-year-old president, Theodore O. Pollard. In May, Pollard was arrested for ignoring two SEC subpoenas.

Much of the evidence about share scams is for companies with small capitalisation. One big UK company has been hit quite hard and yet another saw an interesting rise in price after Internet gossip in mid 1999.

Managing comment and surprise events emerging via the Internet is important for investor relations managers and its not all from gossip on newsgroups and chat. Analysis now expose much more of their information on Web sites and the ability to collect and collate corporate information from the Internet is significant. At the beginning of 1999 there were no UK investment chat sites and the handful of newsgroups were uninspiring. In less than six months, the scene had changed entirely.

The ability to identify, sift, and assimilate financial information on the Internet is passing through a phase of remarkable development. In addition this capability allows investors to act very fast.

## **THE INVESTOR SITES**

The internet has been a boon to corporate America and has brought millions of people investment opportunities unheard of two or three years ago. It is a shame that the London Stock Exchange has such a stuffy site. Nice picture of the London skyline though.

# MANAGING REPUTATION IN CYBERSPACE

Managing investor relations in the UK has long required an internet page or more devoted to Investors and shareholder issues. These pages, designed for institutional investors are, of course exciting.

In the interactive age, when people need information in about eight seconds from finding the site, all the references from the LSE take one immediately to the Investor Relations page of every company. This page, explaining the significant benefits of adding the company's stock to one's portfolio is interesting, informative and offers all manner of aids in making a decision and for buying and selling its shares. Alternatively, the truth is that there is no hyperlink from the London Stock Exchange at all. It is a market that does not want its members to be known.

All financial institutions and Investor relations experts are in an information race. Having available information round the clock for international audiences is now critical.

The financial bureaucracies like the LSE, are so far behind the average teenager in ability to acquire and provide information and to communicate that they may not be able to catch up.

NASDAQ, now old in Internet terms showed one way forward. Its site is brash and exiting compared to LSE. There is much to do.

With thousands of people active in shaping opinions about the nature of capitalism, the merits of shareholding and trading on-line, the European stock markets are dull and uninformative. There will have to be a change if they are to be globally competitive for the Internet Society.

Of course, the more aware Investor Relation manager will be monitoring the Internet for references to company stocks. The cost is not exorbitant (about £500 per month) and includes comments of Broker's sites and from analysts.

Promoting shares using the Internet is covered by the Rules of the Stock Exchange (not that the LSE has made much effort to guide companies in this field so far), and within these rules, IR managers have considerable scope to interest and inform shareholders and potential shareholders.

As we now know, investors seek information about companies and their shares using the Internet.

The rules for attracting people to the financial pages of a corporate Web site are not dissimilar to promotion of other aspects of the business.

While most are dry and unappealing, some companies are now making an effort to interest shareholders, bring them back to the site and create a genuine 'family' feel about the company. By creating a virtual community with an interest in the company and its shares, share values can be sustained and enhanced.

In the first place, the financial pages of a Web site need to be designed as a whole and specifically aimed at shareholder interests. Even institutional investors like to see well

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designed and welcoming financial pages. They like to see a company promoting the merits of share ownership, and to be able to access Analysts and Newspaper comments about the company from the site. They are interested in events that will affect stocks and corporate decisions aimed at enhancing (or protecting) share values. Of course the financial information has to be included and, on a Web site, they can be fun, interesting dynamic and worth re-visiting on a regular basis.

Slow sites and pages that look like copies of the Annual Report (looking like a brochure instead of a Web site), are, of course a big turn off. Not all investors have fast ISDN lines so that the speed of a site is important.

The return for a company is measurable. How many people turn to the financial pages of a Web site (and how many access this part of the site directly without clicking through umpteen pages of 'our history' and 'a view of our factory in Cayman Islands') and then dwell on these pages, gives an indication of potential investor interest.

We know that if the site is designed to offer an interactive relationship, then it will be re-visited and, in addition, sustaining the interest of existing shareholders will aid the development of a share holding virtual community with the benefit of sustained, continued and enhanced investment.

Offering simple access to brokers and helping investors buy shares is essential (not just hyperlinks but a more proactive and involving experience) and it also offers the capability to measure the extent to which the Internet Community looks at and forms an opinion to buy.

There is evidence of the effect of 'brand equity' value obtained in this way bringing Netzines (including investors) back to a site even if they have had a previous bad experience.

## VERY PUBLIC AFFAIRS

Influencing the democratic process and government is an area where the Internet is gaining considerable force.

All over the world lobbyists and the lobbied use the Internet.

For the lobbyist, the Internet provides the complete resource and details of every politician and mandarin. It offers information about party policies, the policies and agendas of other organisations and institutions (and lobby groups). There is information about consultative processes, legislative programmes, draft Bills, debates, advisors and much more.

In the UK, the most secretive of Governments (followed by France and then the EU) has the slowest sites and the most difficult to navigate (so you use alternative sources that are quicker). In addition vast rafts of government policy making and advice remains as secret now as in the days of the Raj. The mandarins and the political elite have not yet found the Internet 'on-button'.

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It is easier for a Welshman to communicate via the Internet with Bill Clinton than the Prime Minister (the server is always overloaded), a Scotsman to chat to the FBI than the Scottish Office and an Englishman to e-mail the Kremlin (try it - I speak from experience).

The second most stuffed shirts in lobbying are the lobbying companies who take their lead from the Central Office of Information and have even slower Web sites and even less interactivity and absolutely no information not available for free from Altavista.

On the other hand, the lobbying groups from Friends of the Earth to the Countryside Alliance have smart, informative, interactive sites with lots of helpful and informative links to equally good sites full of information. They are designed to appeal to Netizens, draw in members and supporters which offers lots of fun and games to be played with Parliamentarians and Government Ministers.

Of course, the lobbyist still has to use snail mail (although I cannot imagine why - only bank managers are less approachable than politicians via electronic means) and meetings with officials, parliamentarians and Government Ministers.

### **CREATING CYBER LOBBY SITES**

The UK lobbyists have an Internet job to do as well and will be one of the great beneficiaries in Cyber Society.

In the first instance, access to information, allied interests and political activists is now very simple. In addition there is as much briefing material as anyone can want ready from a variety of sources. The effective way of getting information about what the Government is doing and what is said in relevant parliaments is to use the fast monitoring services, Web tracking software and specialist search engines. They find, sort sift and produce information quickly and cheaply an example might be CyberAlert (<http://www.cyberalert.com>) for monitoring, the Web, Discussion Groups and on-line publications (four hourly) Mindit ( <http://mindit.netmind.com>) for Web page updates and Altavista for exploring the Internet. This will keep information flowing quickly and inexpensively. These devices will provide details of MP's and their interests, committees and outside interests.

The same applies to many councillors and many government officials. Local Government information in the UK is very patchy with many local councils without any serious information available at all (try library sites).

For the sophisticated political lobbyist, the ability to use data-mining software will bring significant rewards. These programmes allow the campaigner to cross reference information to show relationships that would normally take months of research and cross tabulation (see 'bots' on page 13)

Creating a well informed brief, finding links to like minded or similar campaign organisations and re-enforcing your plea with others pursuing the same goals is an essential element.



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The means of building relationships fast is available using e-mail.

Choosing to use discussion groups, chat, or a Web site is a matter of tactics (and you can use all three).

The key issue for all campaigns is to create a constituency that politicians cannot ignore. This can be a constituency of employees or the nation as a whole but if they are well informed, know, understand and are helped to influence your goals through the Internet, you have the considerable power of the Internet Society at your elbow.

Creating a campaign Web site (hosted free and requiring a few hours of site building) is a matter of hours away.

Most activists and supporters are now available to you and the process of timetabling activity and motivating supporters is hours away.

In a very short time a virtual community (large or small) can be well underway and the opportunity to use this powerful information and communication Society is ready and at the disposal of the practitioner.

Of course, some companies have long running campaigns and have them readily available for visitors to their site (and ensure that hyperlinks from other campaigners are direct to the relevant pages).

On these sites many companies include details of how they work with Government at local, regional, national and EU wide levels. In addition many provide access to other relevant information sites to aid netzines seeking information and access to relevant organisations.

Effective lobbyists, will have mini Web sites ready for the relevant information to be included to ensure that if an issue breaks quickly, an Internet presence is almost immediately in place.

Where there is a need for consultation and exchanges of views properly constructed discussion sites will be ready with effective discussion group hosting (use the The Art of Hosting Good Conversation Online by Howard Rheingold as your guide <http://www.rheingold.com/texts/arton-linehost.html>).

For really effective campaigning, it is worth taking a leaf out of the activists examples spread widely over the Internet.

Lobbying aided by the Internet Society is so much more fun and adds a significant dimension to other forms of campaigning.

## THE LAW FOR THE INTERNET

There is the law and the Internet and there is an emergent Internet law.

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The latter, with help from off-line civilisation, is a process of open debate and critical evaluation. But the assumption is that users have to be very grown up and responsible for their own actions. As we know not all netzines are grown up irrespective of their age.

## **WHERE ARE THE NATIONAL BOUNDARIES?**

The German media corporation, Bertelsmann is all too familiar with the issues of trying to reconcile clashing national laws as they affect the Internet.

The prominent U.S. Jewish group, the Simon Wiesenthal Centre, asked Bertelsmann to make sure that books like Hitler's *Mein Kampf* are not sold in Germany through barnesandnoble.com, Bertelsmann's joint venture with U.S. bookseller Barnes & Noble. The distribution of such books is illegal in Germany, but allowed in the United States.

Of course banning books in the USA is illegal and so Bertelsmann is taking the lead in getting multinational corporations to help unify national regulations relating to global electronic commerce.

Bertelsmann's CEO, Thomas Middelhoff, is heading up a newly formed group, the Global Business Dialogue for Electronic commerce, known as the GBDE.

The GBDE sees itself both as a self-regulatory body, which will make suggestions for how companies should conduct e-commerce, and as a lobby group, which will work with politicians to achieve its goals

These companies include Disney, Nortel, NEC, Fujitsu, Toshiba, DaimlerChrysler, Deutsche Bank and Electronic Data Systems.

The group is opposed to the 'patchwork' of laws that apply to the Internet and many companies have to reconcile, for example, the U.S. tradition of allowing freedom of expression and stricter laws elsewhere designed to protect individuals from material that incites violence.

The task the group has set itself is to explore the law in areas such as security, consumer trust, advertising, infrastructure, copyright, data protection, taxes and tariffs and legal issues.

The group will present findings in September.

It is notable that this group should identify so many areas where there are major legal differences and thus it is difficult in a paper such as this to cover the whole issue of the Law as applied to the Internet.

The Yahoo news pages (<http://www.yahoo.co.uk/headlines/>) covered the story and added to it:

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A representative of Amazon in the UK believes all the company can do is abide by US law. "This is about freedom of speech in the US," she says. "It may be illegal to sell such books in Germany, but this doesn't relate to us."

This spokesperson was also keen to point out that this is not the only way to contravene a country's censorship law. "The fact that some books are illegal in Germany wouldn't stop a German tourist going and buying a banned book in another country and taking it home with them."

This argument doesn't quite hold water however, unless Amazon is advocating breaking the law. It is illegal for a prohibited publication to be brought through customs by a German citizen and any such books will always be confiscated. "It is illegal to possess certain publications in Germany but it is not illegal to send something if it is not illegal in the country of origin," explained a representative from the German embassy in London. "There is also the practical problem that, just as in the UK, mail is protected and cannot normally be opened and checked."

David Kerr, director of the Internet Watch Foundation (IWF) -- the UK's independent Internet watchdog -- says that although this is not an issue of Internet censorship, it may indicate we are moving closer to international regulation of the Internet. "The European Union has done a lot of work in this area, trying to organise some co-ordination of international self-regulation," he said.

The UK witnessed a test case in which a pornography peddler was prosecuted under the UK Obscene Publications Act, although the servers hosting his site were based in the US. This is another hint of the international perspective individual governments are struggling to apply to governance of the Web.

Within the readers' review section of the Amazon site in both the US and the UK, there are a number of comments concerning books such as *Mein Kampf* that advocate racist and Nazi views. Amazon encourages readers to abide by certain guidelines but only considers changing a contribution when there has been a complaint from a reader or an author.

Freedom of speech is enshrined in the US Constitution under the First Amendment. In the UK however, there is no specific Freedom of Speech Act and indeed the legal framework explicitly allows for controls on the publication of material that is considered might incite racial hatred.

At present, and until the Internet Society settles on some form of rule of law, reputation managers need to ensure that where protection is offered off-line it is applied to on-line activities and properties, including intellectual property. This has to be done in the knowledge that such protection may not be sufficient for protection among netzines.

### ***SERVICE PROVIDERS AS POLICEMEN***

There is recourse through organisations like The Internet Watch Foundation (<http://www.internetwatch.org.uk>) launched in late September 1996 by PIPEX founder Peter Dawe. It was created to address the problem of illegal material on the Internet, with particular reference to child pornography. It is an independent

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organisation to implement the proposals jointly agreed by the government, the police, the two major UK service provider trade associations, ISPA and LINX, and Mr Dawe. Science and Technology Minister Ian Taylor welcomed the proposals as "a major industry-led initiative to reassure the public and business that the Internet can be a safe and secure place to work, learn and play."

This site is worth visiting because it points out that, in general, the law applies to activities on the Internet as it does to activity not on the Internet. If something is illegal "off-line" it will also be illegal "on-line", and vice versa. Responsible service providers wish to see that the law can be upheld on-line as well as off-line. A clear liability to prosecution exists in UK law in relation to child pornography on the Internet, for example.

The core issue, say IWF, is crime. Legal, but possibly offensive, material raises a quite separate issue. It notes that consumers should have the technological means to tailor the nature of their, or their family's, experience on the Internet according to their individual standards; thus supporting both individual responsibility and the Internet's traditions of diversity and free speech.

Under the code provided for UK service providers is a requirement to take a responsible approach to the provision of services. They need to implement reasonable, practicable and proportionate measures to hinder the use of the Internet for illegal purposes, and to provide a response mechanism in cases where illegal material or activity is identified. Service providers should not be asked to take responsibility for enforcement of the law. End users should retain responsibility for the content they place on the Internet, whether legal, or illegal. The Police should retain responsibility for law enforcement.

IFW make the point that the law that determines what material or activity is illegal is the law of the country in which the consumer is affected by it. These proposals relate to service providers offering access to the Internet in the UK. They are designed to avoid any extraterritorial effect. Service providers established in the UK will take the UK law as the relevant standard for their UK operation - whatever the source of the material. However, measures adopted by service providers established in the UK can only address the problem at source if the material or activity was initiated by their UK subscribers. It is hoped that similar approaches can be established in other countries to extend the protection afforded across the whole of the Internet.

The significance for reputation managers is that there is a body that will help but that it is up to the individual company to be responsible and alert and to act in the first place.

## ***THE COPYRIGHT ISSUE***

Copyright is something that seems to be frequently abused on the Internet. The ease with which information can be copied and transmitted makes abuse simple.

# MANAGING REPUTATION IN CYBERSPACE

Nevertheless, national and international copyright laws still apply to text, images, animated images and sound bytes on the Internet. In general terms, proper legal advice is recommended (there are exceptions and differences between countries).

Copyright is the right to copy in any form (reproduce, perform, adapt, publish, publish translations, convert to a different format, communicate by telecommunication, rent, exhibit in public, etc.), in whole or in part, an original creative work. Original creative works include literary, dramatic, musical and artistic works, and computer programs. A few things which are not protected by copyright are: names, titles, slogans, short phrases, factual information, plots, characters, and methods or techniques. Some of these, however, can be protected in other ways. For example, names or slogans can be trademarked and in some states like the US 'registered' ®

Usually copyright is owned by the creator of the work. If, however, you create the work as part of employment, the copyright belongs to the company unless there is an agreement specifying otherwise. In any case, in the UK copyright applies automatically and does not have to be explicitly registered.

The Universal Copyright Convention states that copyright indication to appear on the work must include: a c with a circle around it -- © -- or the word "copyright"; the name of the owner; and the year in which the work is first published. Some countries also require the phrase "All rights reserved" to be included with the copyright indication.

In some countries, including the UK, you are not required to indicate copyright ownership. Any work is automatically copyright protected. You may, however, include a notification of copyright -- even if the work has not been registered. It is a good idea to include a copyright notification for two reasons: 1) to remind people that the work actually belongs to someone, and 2) so that anyone wishing to seek permission to use the work will know who to contact.

In principle, a portion of the work, such as a passage quoted from the text, may be used or reproduced for private study, research, criticism, review or summary (as in a newspaper). It is, however, required that the source and author's name be included if the text is intended for a public audience, such as a newspaper summary, or a public review or criticism.

Intellectual property covers much more than copyright. Trademarks and Patents are also important as are Registered names (in some countries).

## ***THE WORLD POLICEMAN HAS NO WHISTLE TO BLOW***

The Internet being global means that protection needs to be International and here lies the rub.

A recommended source of information is the World Intellectual Property Organisation ([www.wipo.org](http://www.wipo.org)). The World Intellectual Property Organisation (WIPO) is an intergovernmental organisation with headquarters in Geneva. It is one of the 16 specialised agencies of the United Nations system of organisations.

# MANAGING REPUTATION IN CYBERSPACE

WIPO is responsible for the promotion of the protection of intellectual property throughout the world through co-operation among States, and for the administration of various multilateral treaties dealing with the legal and administrative aspects of intellectual property.

Its problem is that it has few teeth, is coming to the Internet late and needs to have all countries in agreement.

The WIPO claim that Intellectual property issues are of central importance in maintaining a stable and positive environment for the development of electronic commerce is a suspect argument.

Intellectual property both affects and is affected by electronic commerce in a multitude of ways. Accordingly, several WIPO programs concern electronic commerce. The most important activities in this area are described under the WIPO Ecommerce Activities section, with links to other pages of the WIPO Web site where more detailed information on each topic is available.

WIPO has convened a meeting with ICANN-Accredited Registrars on Domain Name Dispute-Resolution Procedures Washington D.C., July 27, 1999. The ICANN resolution endorsed the principal of a uniform dispute-resolution policy in the .com, .net and .org top-level domains and encouraged the test-bed registrars to work together to formulate a model dispute-resolution policy for voluntary adoption.

So far so good, but an indication of how far the process has to proceed is evident in the shape of its comments and actions. It says: "Electronic commerce has quickly become a subject of major economic and policy importance as the Internet continues its remarkable world-wide expansion. Intellectual property rights are of central importance in maintaining a stable and positive environment for the continuing development of electronic commerce."

I suspect that the cat is out of the bag but let us continue with the WIPO news.

"Five regional consultation meetings on electronic commerce and intellectual property are planned to take place in the African, Asian, Latin American and Caribbean regions in 1999, in order to generate greater awareness of the ways in which electronic commerce is affecting intellectual property and to assist in formulating a timely and swift response to those issues.

"These meetings are to be followed by a major international conference in Geneva from September 14 to 16, 1999. The WIPO Conference on Electronic Commerce and Intellectual Property will address the impact of electronic commerce on intellectual property and will include plenary sessions on developments in electronic commerce on the technology, business and policy levels, as well as workshops which will deal, on a practical level, with intellectual property and related areas.

"An issues paper will be published in order to define more clearly the impact of electronic commerce on the intellectual property system. The paper will seek to identify and examine the major policy challenges posed to the intellectual property

# MANAGING REPUTATION IN CYBERSPACE

system by electronic commerce and the ways in which the WIPO Program is addressing, or could in the future address, those challenges."

In the meantime, most managers are dependant on bilateral arrangements and European Directives (many of which remain open to interpretation).

Starting from the basics of protecting the corporate site is relevant. It begins with all the relevant domain names that are to be registered for the company, its brands, international suffixes (e.g. [www.yourcompany.ie](http://www.yourcompany.ie) for Ireland) and the obvious abuses that wayward netzines may attach to corporate brand properties ( e.g. [www.yourcompany.org](http://www.yourcompany.org) and [www.yourcompanysux.com](http://www.yourcompanysux.com) ).

## **PASSING OFF**

At this stage passing off should also be considered.

Global Asset Management, a London based investment company created four Web sites and found that the GAM name was being used by a company based in Ghana to the extent that search engines would find the Ghanaian company before the real GAM sites.

The Financial Services Authority has now alerted unwary investors to double-check exactly where they are sending their funds. There is not a great deal of protection for companies where a third party has used a reputable company's name to attract business through a bogus Web site.

"The Internet itself is unregulated. It has been compared to a galactic car boot sale: anyone from anywhere in the world can set up shop and offer you anything for sale" says Martin Hollobone of Financial Services Authority.

And it can be hard getting a brand name back as Colgate Palm Olive found. This exchange is from the Ajax.org site:

*To: "Benjamin C. Kite"<AJAX@AJAX.ORG*

*September 24, 1998*

*VIA FEDEX, FAX AND EMAIL*

*Foundation Publishers, Ltd. IQuest Internet  
Attn: Benjamin Kite Attn: Robert Hoquim  
518-4 S. 6th 2035 East 46th Street  
Terre Haute, IN 47807 Indianapolis, IN 46205-1472  
Email: [ajax@cube.indstate.edu](mailto:ajax@cube.indstate.edu) Email: [robert@iquest.net](mailto:robert@iquest.net)  
Facsimile: 317-259-7289*

*Re: AJAX.ORG*

# MANAGING REPUTATION IN CYBERSPACE

*Gentlemen:*

*I am an attorney in the legal department of the Colgate-Palmolive Company. We understand that you have registered AJAX.ORG as a domain*

*name with Network Solutions, Inc. and are operating a Web site using that domain.*

*We are the owner of a multitude of worldwide registrations for the trademark AJAX in connection with a variety of goods including household cleaning products (such as U.S. Reg. Nos. 427,106 and 799,697). Our AJAX trademark has come to be associated by the general public with the Colgate-Palmolive Company, and has acquired considerable and valuable goodwill. In addition, the mark is famous and entitled to the full protection of the law.*

*Your use of the AJAX.ORG domain name will undoubtedly dilute the significance of Colgate-Palmolive Company's trademarks and will result in consumer confusion with respect to any products and/or services which you may provide.*

*Trademark infringement and trademark dilution are violations of federal and state laws. Recent federal court decisions indicate that*

*your continued use of the domain name may well result in a determination that you have violated Colgate-Palmolive Company's trademark rights and subject you to an injunction, damages, reasonable*

*attorney's fees and costs and other penalties and fines. See Planned Parenthood Federation of America, Inc. v. Bucci, 97 Civ. 0629, 42 U.S.P.Q.2d 1430, 1997 WL 133313 (S.D.N.Y. March 19, 1997); CardService Int'l, Inc. v. McGee, 950 F. Supp. 737 (E.D. Va.), aff'd, 129 F.3d 1258 (4th Cir. 1997); Intermatic Inc. v. Dennis Toeppen, 40 U.S.P.Q.2d 1412 (N.D. Ill. 1996); Panavision International v. Dennis Toeppen et al, 938 F. Supp. 616 (N.D.CA. 1996), aff'd, 1998 WL 178553 (9th Cir. April 17, 1998).*

*We therefore request that you abandon the AJAX.ORG domain name and provide us with written confirmation that you have done same. We look forward to your prompt compliance.*

*Sincerely,*

*Bret I. Parker  
Trademark & Copyright Attorney  
Colgate-Palmolive Company  
300 Park Avenue  
New York, NY 10022  
(212) 310-2335  
fax (212) 310-3406*



## MANAGING REPUTATION IN CYBERSPACE

*bret\_parker@colpal.com*

*The exchange matured:*

*Date: Thu, 24 Sep 1998 15:48:35 -0700*

*From: "Benjamin C. Kite"<AJAX@AJAX.ORG*

*Subject: Re: AJAX.ORG*

*To: Bret Parker<BRET\_PARKER@COLPAL.COM , robert@iquest.net*

*Ahoy to Ye My Dearest Swabbie Bret,*

*As an attorney, I'm sure you don't understand anything of the INTERNIC hierarchical structure. The top-level domain "org" was created for the establishment of free and non-profit organizations, of which the AJAX organization is one. The "com" domain is reserved for commercial ventures such as your corporation. Furthermore, I hope you understand that the word "Ajax" is the name of a historical/mythological figure, and as such is not a unique trademark such as "Cheerios" or "Pepsi".*

*I also suggest that you examine the Website and note well that no remark in regard to your firm is made, no logo of your firm is used, and no claim of relation between myself or any of my hardy maties and your firm or any of its products has been drawn.*

*In addition to this, I suggest that you dig up Sophocles and Ovid and sue them, since they have written poems and plays bearing the same name. I also suggest you take a look at your local phone book and harrass the owners of Ajax Roofing, Ajax Air Filter and Supply, Ajax Air Freight, Ajax Chemical Toilets, Ajax Private Investigations, Ajax Technical Authoring, Ajax Grocery, and the Ajax Hotel in Limassol, Cypress as well as EMI International (the producers of the film "Flash Gordon" in which a character named AJAX GENERAL and a spaceship called AJAX WARSHIP are used), the pop/techno musical group "Ajax", and the US Army and McDonnell Douglas (for their missile designation "AJAX"). I also think there's a Cheech and Chong movie where a woman snorts a nose full of Ajax... that might be a great defamation suit for you. Universal Pictures and C&C Brown Productions have a lot more money than I do.*

*Moreover, I should like to note that up until this very day, I have kept a great and inspiring loyalty to the AJAX brand and the Colgate-Palmolive family of products, including your scouring powder, your dishwashing soap, your toothpaste (Colgate), your laundry detergent, and your cat food. I hope you now realize that you've lost a faithful client, and that I intend to publicize your draconian attempt to monopolize a word and name that has represented nothing but strength and freedom to me. I now regret any revenues that I may have generated for your company.*

*Finally, I might say that the most charitable thing that the legal department of a multinational company such as yourself could do would be to offer to remunerate my organization for the time and trouble it would take to change my domain name, notify the many users and referrers to said domain, and make the necessary changes to the logos, references and computing equipment involved.*

## MANAGING REPUTATION IN CYBERSPACE

*I think the sum of \$5,252.52 is a reasonable amount to cover this labor and cost.*

*Benjamin Kite*

*Date: Thu, 15 Oct 1998 18:15:29 -0400*

*From: Scott\_Thompson@colpal.com (Scott Thompson)*

*Subject: AJAX.ORG.*

*To: pberry@ecst.csuchico.edu, ajax@ecst.csuchico.edu*

*Dear Messrs Berry & Kite:*

*Bret Parker has brought your recent correspondence with him to my attention as Colgate-Palmolive's Chief Trademark Lawyer.*

*I hope you can appreciate that Colgate's trademarks are among its most valuable assets. They protect our consumers as the principal vehicle by which consumers can make sure they are getting the genuine article when they purchase our products. Therefore, I hope you can understand that we must protect those trademarks vigorously.*

*Nevertheless, I have considered your response to Bret's request that you change your ajax.org. domain name. I am happy to report that I have concluded that your current use should not cause confusion with our AJAX trademark. Consequently, I have informed Network Solutions, Inc. that a resolution has been reached and it will not be necessary to suspend the use of your domain name under current circumstances.*

*Very truly yours,*

*Scott E. Thompson  
Vice-President and  
Associate General Counsel*

The whole process was long and expensive and is available on the Internet for all to see as case study as to why these matters need close attention.

The Web site graphics, including your company logo to be registered where appropriate and watermarked to prevent passing off should also be considered. These are technical matters for both your IP legal advisor and Webmaster and should be included in the protection of your Internet Intellectual property. Equally, great care should be taken when using the copyright of others including the use of their URL. In some countries it is illegal to use a URL without permission.

### **BEING YOUR OWN POLICEMAN**

# MANAGING REPUTATION IN CYBERSPACE

In many ways the Internet is a combination of the Wild West and the Industrial Revolution. Every company has to protect itself because the rules are sketchy and policemen are few. Alert companies are monitoring the whole Internet landscape to ensure they do not lose their properties. They look to see who is creating hyperlinks to their site to identify if this is a business or consumer opportunity or a threat to reputation or IP.

The most recent law book, and heavier (still) reading is 'A practitioner's guide to the regulation of the internet' by consultant editor Heather Rowe, media consultant Mark Haftke is published by City & Financial Publishing priced £70 and is written by an impressive selection of City lawyers and in-house counsel, this book covers domain names, trademarks, unfair competition, copyright, making contracts over the Internet, jurisdiction, data protection, advertising, payment systems on the Internet, digital signatures, tax implications of the Internet, and best practice for companies in the use of e-mail, Internet communications and access to Web sites.

## **CYBER WAR**

Internet reputation management extends beyond the commercial sphere into the very heart of democracy. It is worth pausing for a moment to review recent findings and to identify the commercial applications.

The horrors of ethnic cleansing, and racial hate was extended to the Internet as part of the Serbian aggression towards Kosova.

Inspired by hate and malice, Albanian Web sites were attacked in 1999 and, as Nato became involved, its site and many more became the target for a range of hackers spammers and nasty netzines.

This particular activity is matched by hate sites. A growing problem. There are currently 1,426 Web hate sites on the Internet, according to a report by the Simon Wiesenthal Centre, the human rights centre based in Los Angeles. This compares to 600 hate sites at the end of 1997, and just one hate site in 1995. The list included sites that were anti-Semitic, anti-Catholic, anti-Moslem, anti-gay, anti-abortion, as well as sites that promoted racism, hate music, neo-Nazism, and bomb-making. The Internet has served hate groups in two ways, according to Rabbi Abraham Cooper, Associate Dean of the Weisenthal Centre. First it has given these groups a sense of empowerment, and second it has provided them with an unprecedented opportunity to market themselves, unencumbered, 24 hours a day.

The '[Digital Hate 200](#)' report is based on research conducted over a 14-month period in North America, South America and Europe.

Internet war is a two way street as we found in the Kosovo crisis. While much comment from the famous Jamie O'Sheay gave the NATO line, a stream of information was coming via the net from inside Kosovo and broke the news of high than believed 'collateral' damage and poor targeting. This gave the media an added dimension they lacked because of the Serbian block on information.

# MANAGING REPUTATION IN CYBERSPACE

The range of attack tools used has grown and needs careful monitoring. Identification of such weapons and how they can affect the Internet, not least commercial users, is now a priority.

In addition, we have to develop the means by which we can counter violations to provide companies with adequate defence and a capability to inform, and trade over the Internet.

Many companies are now putting in place crisis management capability because of the threat from Hackers. To be taken off the Internet during peak sales periods would be very damaging. The threat is there and was reported by AP: A group of hackers has vowed to keep hitting Web sites across the Net if the FBI do not desist from investigating them. Two government sites were sabotaged in June 1999, one of them an FBI site, in retaliation for an ongoing FBI investigation. The site is still down.

In an interview with the Associated Press, an individual by the name of M1crochip a member of the F0rpaxe group explained that the hacking community are angry at the FBI's continued harassment of their community. M1crochip told the Associated Press that the hacking community believed they had no alternative.

The individual threatened that if the FBI did not stop harassing them they would crash the entire Net. Another group of hackers attacked the US Senate Web site last week and rendered the site defunct for several days.

The FBI are pushing Congress to allow them implement a number of online surveillance measures which would allow them wiretap indiscriminately and force ISPs to give information on individuals. (source AP)

In the light of these problems it is not surprising to find that the global Internet security software market will be worth more than \$7.4 billion by 2002, according to a report from IDC Research. In 1996, the global Internet security software market generated \$1.2 billion. This rose to \$2 billion in 1997, representing an increase of 67 percent. In 1998, the Internet security software market was worth USD3.1 billion and its total worth is expected to reach USD4.2 billion by the end of this year.

The findings are based on a survey of 300 commercial companies in the US that generate revenue in excess of \$100 million.

In the light of the foregoing and as a policy decision, many companies may well find it prudent to at least identify, and in some cases employ the services of an Internet security company.

In the old fashioned world this would all seem massively expensive. But hey, this is the Internet. Technology rules and technology provides a lot of the answers. If you compare the cost of Internet security with the cost of keeping the light fingered under control in a shop, it's a tiny amount.

Meaningful protection using search, monitoring and intelligent bots, means that where 50 lawyers are needed to monitor the Web, one laptop will do it overnight.

I do not pretend to have any knowledge of the Law, let alone Internet Law. What is apparent is the vast amount written about the subject especially on the Internet and I would not trust one word in a hundred.

# MANAGING REPUTATION IN CYBERSPACE

The truth is that like much of the Internet Society, much has yet to develop for us to have a clear picture.

I am wary of preventative and legalistic measures because all experience of the Internet is that its citizenry will, eventually, find a way round restriction and rules. It has to be said that for the most part, this has caused little harm to those who trouble to understand how the Internet Society works.

## ACTIVISM

Over and over again, this book has touched on the issue of criticism and the effect on reputation. In some instances there is clear evidence of on-line reputation having an effect on a company and corporate performance.

This is an issue because of its impact on management, the ability of a company to perform at peak efficiency and the potential for long term, profitable growth.

The bigger issue for managers is the ability to react as fast as the Internet and change to meet the aspirations of Internet Society. However, part of the mix is sustaining worthwhile reputation when so many have such power to deflect managers from this purpose from so many directions at once.

Criticism in the Internet Society is mostly open honest and without malicious intent. It may not be comfortable but is, in its way a cry for help that we can answer by being better at what we do. In this regard it forms an opportunity. Failing to respond will lead us down a much more difficult path.

## ***THE DOUBLE PARADOX***

It was a chill morning in London on October the 16 1986 and a day that was to create one of the pivotal events in Internet Activism. It was the day when a campaign was started to put McDonalds in the centre of anti-corporatism by a number of activists.

It gave rise to the longest civil court case in history between David Morris and Helen Steel and McDonald's.

The appearance of a Web site created by the activists, came in February 1996 when Morris and Steel launched the McSpotlight internet site from a laptop connected to the internet via a mobile phone outside a McDonald's store in Central London. The Website was accessed more than a million times in its first month. It was headline news across the world.

By any standards, the McSpotlight site is big and has an amazing amount of content. A large part of the content is critical of McDonald's and some is allegedly libellous.

# MANAGING REPUTATION IN CYBERSPACE



On 19<sup>th</sup> June 1997, after a case said to have cost the company over £10 million and a £60,000 settlement against Morris and Steel, the Web site was accessed 2.2 million times.

The first paradox is that McDonald's won the court case but the allegations are still on the Web site available to this day (and is mirrored across the world so that if it is turned off in one country, its content can be accessed from another).

The second paradox is that with so much criticism about the company available for all to see, the company remains one of the most successful food retailers in the UK and across the world. McDonald's is the largest and best-known global foodservice retailer with more than 24,500 restaurants in 116 countries. Its share price is four times higher than when the McSpotlight site was launched and dividends per share are up 44%.

Is there a linkage between corporate performance and Internet criticism? Will there be a link as the Internet expands?

There are a number of considerations. The first is that all this happened a long time ago. In 1997, at the end of the court case and 18 months after the launch of McSpotlight, the on-line population was 57 million (now 179 million) of which only 960,000 were in the UK (over 10 million today).

Today, the McSpotlight site is really a gateway site for people who are interested in anti-corporate activism. Compared to many other activist issues, McDonald's is a relative side show.

McDonald's significance for most people is its brand strength. It is a company that delivers on its promise (caviar no, fries yes, silver service no, in a box with a paper tissue yes). In this respect it is trusted by consumers.

The apparent double paradox is, in fact, a matter of timing and the fast-changing dynamic of the Internet.

The Consumer Opinion pages of Yahoo show a list of rogue sites which reputation managers should visit to see examples of what may affect them at any time.

Smaller brands in a virtual community ten times as big, may not be so lucky. So just when should a company get scared of the Internet?

# MANAGING REPUTATION IN CYBERSPACE

## **REAL WORLD OF CYBERSCARE**

According to [USA Today](#): (Sep 25 1998) “The recent surge in Web sites dedicated to damaging the reputation of companies is becoming a problem for many companies’.

There has been an immense scare for many years as a host of rogue sites have appeared. If the Internet has been part of normal society and merely a form of news delivery, many brands would have sunk without trace.

British Airways, Coke, Ford Motor Company, MacDonalds, Intel, Monsanto, Nestle, Nike, Proctor and Gamble, Shell, United Airlines, every retail bank and many, many more have been subjected to intense scrutiny, detailed and professional criticism which had it been in a traditional medium would have killed them off. The Gerald Ratner comment and resultant media hype would not figure for a moment on the Internet Richter Scale.

There is no doubt that there is a corporate cost to rogue sites. Many companies pay off people who put them up. Companies take perpetrators to court. Shareholders are discontent to the point of removing directors and the whole process takes up hours of management time.

Of course, not getting into the position of having to face such an issue in the first place is important and will save the company a lot of anguish and money. If there is wrong doing and it is revealed through the Internet, then it will have a devastating effect.

But for the mainstream companies with nothing much more than a marketing plan to hide and a transparent approach towards its stakeholders, the Internet needs no more than watching.

Because all companies are criticised, the problem faced by reputation managers is one of the extent to which Internet criticism damages the company's ability to trade and what are the tell tale signs that turn an irritant into an issue and issue into a crisis.

The Internet provides access to information. A lot of it. People searching for information will use a Web crawler and then the brand they seek. In this form, there is only the danger of a crawler presenting sites that are adverse to an organisation's interest which will form part of the search process.

Reputation is becoming significant for both consumer and business to business companies. In the case of the latter, a buyer may prudently decide not to award a contract to a company with adverse reputation baggage with it. Equally, consumers will shun a retail outlet where Internet news suggests they may be confronted with activists.

Watching and monitoring what people may find when they seek your site should be a daily task. Simple and, for the most part without incident. Mystery shopping for your site is something that needs to be done anyway (trying to find your company using generic and specific search terms across different search engines). There are companies that will do this for you at a very modest cost<sup>49</sup>.

## MANAGING REPUTATION IN CYBERSPACE

The Internet is also made up of communities. There are thousands of them and few have more than a few hundred members. Most only have a handful of intercommunication members. These communities coalesce and create larger entities but in themselves have a limited effect.

Almost as an aside I have to mention the few that are very dangerous because they identify the means by which a fringe can attack companies and other organisations. The virus distributors, hackers and creators of software designed to damage corporate effectiveness and bomb makers are examples. These activities are a matter for the very non-Cyber policemen.

As far as my studies have gone, I know of no company that has lost market share, reduced turnover, profit or share price as the consequences of adverse coverage in newsgroups, activists sites or rogue sites.

Consequential management re-action, on the other hand has cost a lot of companies on all four counts. This suggests the reputation manager needs strong nerves to be able to calm members of the board and ensure they are responsive rather than reactive.

Does this mean that Internet criticism is helpful, or at worse irrelevant?

Not any more.

A number of activists believe: *'there is a dynamics of struggles between competing groups to establish their perspective as absolute truth. For this reason it is important to look at the actions and motivations of actors who seek to halt the progress of environmental groups.'*

There are a number of well known books which deal with including: [Global Spin](#) by Sharon Beder, [Toxic Sludge Is Good For You](#) by John Stauber and Sheldon Rampton and [Green Backlash](#) by Andrew Rowell.

They are up-to-date, reporting Simon May Shell's Internet manager. He is reported saying he believes that activism on the Internet should not be viewed as a "menace", but rather as a "challenge" for corporates. Companies should adopt the Internet for the same reasons and utilising some of the same strategies as activists, but with a more planned and professional approach. Furthermore, full advantage should be taken of the potential of the Internet to monitor grassroots opinion and activities. (Lubbers 1998:net)

Taking care of Shell's presence on the web is only one of the Internet manager's tasks. He must also monitor and react to what is being written. 'The on-line community should not be ignored' May is reported to have said at a conference in Brussels. 'Pressure groups were aware of the potential of the Internet far earlier than the corporate world. There are pressure groups that exist only on the Internet, they're difficult to monitor and to control, you can't easily enrol as member of these closed groups.'



# MANAGING REPUTATION IN CYBERSPACE

As Internet branding becomes more significant, and e-trade a larger part of commercial life, the rules will change. To this extent, and knowing the speed of change that is inherent in the Internet, action now is sensible.

In an ever bigger crowd, being visible will be one of the bigger issues. Being big in a crowd also makes a bigger target. An event as ground breaking as McSpotlight in 2000 would be a very serious reputation management issue. In 1997, less than 1 Million British citizens had an opportunity to see what was on the site. In 2000 the number will be 20 million.

Inside the Internet Society, there is a dynamic that does affect companies. Companies that are closely associated with the Internet such as Intel are affected. Sales are affected, the commercial environment is affected and the political environment can become quite chilly. There is evidence that, as more companies are exposed in Cyberspace, the more effect its on-line reputation has on corporate drivers.

In addition there are very real markers for when Internet criticism is beginning to take hold and there is a process.

## ***ANATOMY OF INTERNET ACTIVISM***

The first manifestation tends to be in newsgroups discussion and may not mention a company at all. Then a Web page appears, detailed arguments and 'evidence' is assembled (with lots of hyperlinks). A range of activists groups are recruited through claims of allegiance (mutual hyperlinks) and discussion and then calls to action are re-enforced (write to your MP, spam the MD of this company etc). The effective campaigns is invariably need to develop relationships institutions beyond the Internet. The media, church, politicians, pop icons, regulators and many more institutions are available for involvement and to be recruited. The most effective activism always seems to need for this added, almost third party endorsement in order to be effective.

This is when the Internet issue hops channels. By this I mean when Internet comment appears in the press, Parliament, courts, councils and, even in books. It is also when the issues have a real effect on corporate drivers.

The cost to Ford and Shell was significant (the recall of a product for modification and the long drawn out disposal of Brent Spar). In the case of Monsanto, the cost is only now becoming evident as that company and its competitors face boycotts of their products driven by Internet activist coalitions.

The anatomy of issues that have an effect are theme based.

Blatant illegality where the Internet is used by whistle blowers aside the big driving issues tend to be about politics, environment, consumerism, discrimination (sex and race) and employment.

The very successful campaigns add several 'themes' together and several 'external publics'. In doing so they appeal to a wider audience and gain added third party endorsement.

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This will often provide people to debate, demonstrate and change the business environment.

There is very instructive information all over the Internet on how these processes can be deployed. The Mid-Atlantic Infoshop has lots of information of interest to anarchists, anti-authoritarian, and other activists. It invites us to: 'Put some anarchy into your life today and learn why anarchists are trying to create a more anarchist society. This is a co-operative effort. If your project wants to participate or contribute materials, get in touch!'

Very jolly.

The one great asset these groups have is passion. Many are to be admired and are willing to work with companies. At the other extreme are real anarchists, bigots, fascists, left of communists and the mentally unstable.

At the lunatic end of the spectrum, there need be little concern but a little management. A course of actions most sensible managers do every day outside the Internet Society.

There are people who have very set views and will not debate. This form of Mexican Stand off takes time and an appeal to ones own view.

The real crunch comes with groups that debate, are mercurial and pop up all over the Internet and elsewhere as well.

## **MANAGEMENT**

The rules for managing Internet critics are the same as for any other form of management.

Having the right attitude is helpful. Anticipate what is probable, master the detail of the Internet and activism and practice so that you can react fast.

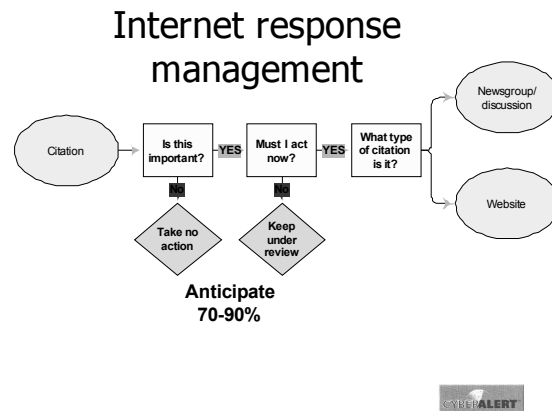
That your company will be criticised through the Internet is not in doubt and preparing your company, its managers and employees for the shock when they find its happens is sensible. Having a Vice Chairman storm into your office showing signs of exceptionally high blood pressure is not a good way to start the week - I know!

Investing time reading about accepted behaviour on the Internet (we all think we know until we read the expert's advice) is essential and ensure that proposed responses can be judged sensibly.

Recommend managers visit discussion lists (dejanews.com , Altavista Usenet)and chat rooms (ICQ at <http://www.mirabilis.com> or Yahoo chat).

# MANAGING REPUTATION IN CYBERSPACE

Start monitoring Web sites and newsgroups and on-line media. Its not expensive and is instructive. Look at rogue and campaigning sites (many are very well made - Friends of the Earth have an excellent map system -and are interesting from many



points of view)

Plan responses and practice.

The routines are simple and there are protocols you can create to be able to respond at speed. Most of this entails work outside the Internet Society ensuring managers really understand the nature of their transparent and the porous company.

The level of calm such simple preparations will engender will save a considerable amount of management time and save a lot of money.

Working with issues management managers, lawyers and Webmasters, the processes to be put in place and practised should quickly become routine.

It is also useful to have a trusted internet research firm near at hand so that if you need to find out background you do not have to spend too much time with your browser. These research companies have the technical tools to hand and can trace and track information fast.

Managing Internet reputation is mostly about preparation and, like all such investments pays for itself the first time its needed.

The demographics suggest we can expect an explosion of critical comment over the next three years and by then the rapid rise of newbies on the Internet will settle down.

It takes about three years for people to become proficient in the Internet Society. From early 1998 to mid 2000 15 million people will have joined suggesting that the peak will be in 2002. Preparing for the inevitable effect now is sensible.

Scary stuff this may be but for some managers real enough already. The rewards available from the Internet Society are so big that the threats have to be managed. The genie is out of the bottle and we have to face the consequences if we are to succeed.

# MANAGING REPUTATION IN CYBERSPACE

## CONCLUSION

At the IPR symposium in 1995, I said: 'the new media will enfranchise the individual with more one-to-one, one to many and many to many communication which will be easy by personal 'phones, E-mail and video conferencing. Person-to-person-to-machine and database communication will be more important, electronically managed and more global. Increasingly this broth threatens brands and corporate reputation and needs professionalism to immunise (our organisations) or doctor the effects of the brew.

'In its most perfect form, reputation management sustains relationships with publics in a state of equilibrium during both evolution and in crisis. This enhances corporate goodwill (a tradable asset).

'The big change is that many-to-many global communication brings with it loss of 'ownership' of language, culture and knowledge and that there is a breakdown in intellectual property rights, copyright and much plagiarism. This is already a major problem.

'News now travels further and faster and is mixed with history, fantasy and technology. Reputation in crisis is even more vulnerable. At a growing rate, the new media uses reputation as 'merchandise', 'stripped from the foundations which created it, then traded for pieces of silver - and at a discount'.

I hold by these statements.

In many of its forms, I have shown how the Internet has and will affect our lives and hinted at how it will affect society. While there is much to be wary of, there is much to gain. As with all forms of enterprise and especially in all the up-beat hype there is downside (but manageable) risk. Knowing that there is risk and its nature is helpful and prepares us for it.

I do not imagine that any one reputation manager will master all the aspects of reputation management outlined here. Nor will there be a need to do so.

In the near future, the Institute of Public Relations and the Public Relations Consultants Association, among others will provide substantial resources for the practitioner.

For me there remains a single worrying concern. It is that so much of industry and commerce and their reputation management practitioners are blissfully unaware of the breadth and pervasiveness of the Internet. Furthermore fewer still are aware of that we are hardly in the foothills of what it will be.

Its development will be even faster than to day and the rate of acceleration is yet unknown. So far we have seen a lot of people join the Internet Society. In a few months this will growth will tail off when 60% of the population on-line and active.

Only then will we see its development soar.

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Today, most managers believe they are catching up but 40% of British company directors either do not use the Internet or are uncomfortable with it. They are in for a rough ride and will need all the help that can be mustered from professional Internet aware reputation managers. It is a great adventure to be in a position to help.

The Internet offers everyone wonderful opportunities. There will be casualties, of course and they will be bewildered and will need sympathetic people round them.

For the Americans, the Internet is akin to the Wild West. We too are lucky, we faced and survived the Industrial Revolution in the 18<sup>th</sup> century. The Internet revolution is just as important and the only difference is that instead of taking 60 years this one will only take six.

## ABOUT THE AUTHOR

Coming to public relations from politics, David Phillips, a founder member of Young European Democrats, began his corporate career as Public Relations Director with Lancer Boss Group.

Responsible for Corporate Affairs, International Marketing, Investor Relations, Community Affairs, Press and Media Relations he was also a member of the three strong acquisitions team. The company grew six-fold to £200 million turnover in six years with acquisitions in UK, Germany, France and Italy.

He set up Phillips And Company as a Public Relations consultancy in 1985 with clients such as SKF, Rockwell Automation, Hughes Network Systems, Tussauds, Hyster Europe, Boss Group, Bitzer and Atlet. The consultancy business was sold to Taurus PR in 1997.

He founded one of the UK's leading media content analysis and evaluation company, Media Measurement Ltd in 1992. Its advanced computer programmes for analysis of communications attracted an enviable International clientele. The company was sold in 1998. In 1994, he also developed a the Clarity Software programme for corporate relationship benchmarking with Dr. Jon White. In 1997 he was one of the first PR practitioners to use Neural Network programmes for measuring the effect of media relations on corporate drivers having designed one of the most powerful Data-mining software programmes with John Braga, a co-founder of Byte, in 1996.

In 1995, he gave the Millennium Force Lecture at the Institute of Public Relations conference, outlining a five year projection of the significance of new media and the Internet for PR practice. By 1998, he had developed on of the first Internet Reputation Management consultancies.

In 1999, he was a co-founder of Internet Reputation Services Ltd, bringing together research, monitoring and consultancy aspects of Internet Reputation Management.

Made a Fellow in 1994, David is the Chairman of the Institute of Public Relations Internet Commission and is on a number of Internet practice committees. In his spare time David is 'Joe Green' the industrial columnist.

His abiding hobby is sailing.

# MANAGING REPUTATION IN CYBERSPACE

<sup>1</sup> At the time AOL, Compuserve, Demon, and Global Internet were still charging while X-stream, Current Bun, breathnet, and Line One were free. AOL broke ranks within a week of the Freeserve flotation and offered a free service

<sup>2</sup> Georgia Tech Research Corporation, GVU Centre, College of Computing, Georgia Institute of Technology, Atlanta Georgia, GA 30332 – 0280.

<sup>3</sup> [www.spyglass.com](http://www.spyglass.com)

<sup>4</sup> 'British On-line Behaviour Study' Internet Reputation Services 15 High Street, Nash Milton Keynes, MK11 1AQ.

<sup>5</sup> <http://searchenginewatch.com>

<sup>6</sup> GVU's WWW User Survey

<sup>7</sup> Datamonitor, 106 Baker Street, London W1M 1LA ([www.datamonitor.com](http://www.datamonitor.com))

<sup>8</sup> ([www.nua.com](http://www.nua.com))

<sup>9</sup> [1998 study](#)

<sup>10</sup> Source: Global Reach

<sup>11</sup> Internet.com 9 July 1999

<sup>12</sup> [Gartner Group](#) [www.gartner.com](http://www.gartner.com)

<sup>13</sup> [Bright Light Technologies](#) [www.brightlight.com](http://www.brightlight.com)

<sup>14</sup> <http://www.albion.com/netiquette/>

<http://www.netpath.net/~gwicker/email.htm>

[http://home.olemiss.edu/~chalc/net\\_writing.html](http://home.olemiss.edu/~chalc/net_writing.html)

<http://www.primenet.com/~vez/neti.html>

<http://www.templetons.com/brad/emily.html>

<http://www.fau.edu/netiquette/net/netiquette.html>

<http://www.vonl.com/vtab24/news102.htm>

<http://www.cs.uu.nl/wais/html/na-dir/usenet/posting-rules/part1.html>

<http://www.cs.uu.nl/wais/html/na-bng/news.misc.html>

<sup>15</sup> CyberAlert [www.cyberalert.com](http://www.cyberalert.com)

Other Internet search companies include:

NetSearch

CyberSearch

MarketWatch

Cyveilence

Ewatch [www.ewatch.com](http://www.ewatch.com)

CyberCheck [www.intermountainrkh.com/agency/newmedia/](http://www.intermountainrkh.com/agency/newmedia/)

CyberScan [www.clippingservice.com](http://www.clippingservice.com)

HyperNews [www.hyper-news.com](http://www.hyper-news.com)

Webclipping [www.webclipping.com](http://www.webclipping.com)

<sup>16</sup> NOP Research Group: Know Your European Markets, April 1998

Britain had the highest Internet access from schools and universities. One in five Internet users in Britain, France and Germany spend less time watching TV as a result of using the Internet, 33 percent of French users say they now read on-line newspapers, compared to 23 percent of Britons.

<sup>17</sup> In September 1998 Andersen Consulting published their latest findings on the uptake of e-commerce in Europe.

The study polled 300 European executives and found the majority of executives were enthusiastic about the future of global electronic commerce but did not have any e-commerce strategy in place. 82 percent believe that e-commerce will have an affect on their business strategy and 19 percent view e-commerce as a significant competitive threat to their business. In the face of this, only 39 percent have any kind of plan in place.

<sup>18</sup> <http://www.nua.ie/surveys/index.cgi>

<sup>19</sup> [www.arbitron.com](http://www.arbitron.com). Arbitron NewMedia, 9705 Patuxent Woods Drive, Columbia, MD 21046

<sup>20</sup> Source: Global Reach

<sup>21</sup> Source: Computer Economics

<sup>22</sup> <http://www.rheing.com>

<sup>23</sup> [www.weltanschauung.com](http://www.weltanschauung.com) to see some of the current thinking on the subject.

## 24 The Art of Hosting Good Conversations Online By Howard Rheingold

<sup>25</sup> <http://csrc.ncsl.nist.gov/training/ethics.txt>

<sup>26</sup> One such being CyberAlert ([www.cyberalert.com](http://www.cyberalert.com))

<sup>27</sup> Nielsen Media Research has found that households in the US with access to the Internet are 15 percent less likely to watch TV than those without home Net access. More recent surveys in the UK come to the same conclusions (see IRS On-line Behaviour Studies)

<sup>28</sup> Marketing Metrics is a 2½-year project launched in March 1997 under the direction of Tim Ambler and a steering group representing the sponsors: The Marketing Council, the Marketing Society, Institute of Practitioners in Advertising, and London Business School. SPCA and the Marketing Science Institute (Boston) have since joined the sponsor group.

The aim of the project is to establish how firms now measure marketing performance, what is current best practice, and what improvements can be made. Planned deliverables include a comprehensive literature review, improved understanding of the drivers of brand equity, clarification of language, and a list of measures from which firms can select to meet their specific aims and needs.

Initial field interviews in the UK by Dr Flora Kokkinaki (Research Fellow) has confirmed that:

- Practitioners are not satisfied by current measures of marketing performance.
- Business (profit) plan is far the most important benchmark of performance
- External benchmarks, market share apart, are seen as less important.
- There is little concept of, and less shared language, for the marketing asset, e.g. brand equity.

Quantitative survey data from UK marketers and accountants are now being analysed.

For Further Information contact the Administrator, [Margaret Walls @lbs.ac.uk](mailto:Margaret.Walls@lbs.ac.uk)

<sup>29</sup> [www.nua.ie](http://www.nua.ie)

<sup>30</sup> <http://cyberatlas.internet.com>

<sup>31</sup> [www.forester.com](http://www.forester.com)

<sup>32</sup> [www.ecommercepulse.com](http://www.ecommercepulse.com)

<sup>33</sup> <http://www.iconocast.com/Webattackpres.html>

<sup>34</sup> [www.wim.co.uk](http://www.wim.co.uk)

<sup>35</sup> <http://www.msnbc.com/news/302265.asp>

<sup>36</sup> [www.home.net](http://www.home.net)

<sup>37</sup> [http://www.cyberdialogue.com/index\\_4.html](http://www.cyberdialogue.com/index_4.html)

<sup>38</sup> Net Effect Systems 4146 Lankershim Blvd., Suite 301, North Hollywood, California 91602;: [www.neteffect.com](http://www.neteffect.com).

<sup>39</sup> <http://espnet.sportszone.com> )

<sup>40</sup> IRS Survey

<sup>41</sup> <http://www.cjism.com>

<sup>42</sup> Cyveillance, 1555 Wilson Blvd, Suite 404, Arlington , VA 22209 2405 ([www.cyveillance.com](http://www.cyveillance.com))

<sup>43</sup> [www.motherjones.com](http://www.motherjones.com)

<sup>44</sup> [Center for Public Integrity](http://www.centerforpublicintegrity.org) HTTP://essential.org

<sup>45</sup> I have removed the address and similar details

<sup>46</sup> SOURCE PR Newswire (C) 1999 PR Newswire. All rights reserved. <http://www.prnewswire.com>

<sup>47</sup> <http://www.gomez.com/gomezwire/article.cfm?ID=2671&c=82>

<sup>48</sup> .SOURCE: San Jose Mercury News, AUTHOR: Deborah Claymon]

(<http://www.mercurycenter.com/svtech/news/indepth/docs/rayth040699.htm>)

<sup>49</sup> CyberAlert is one